



# ***Daily Report***

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## **LAST ISSUE**

# **China**

FBIS-CHI-96-136

Monday

15 July 1996

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# Daily Report

## China

FBIS-CHI-96-136

### CONTENTS

15 July 1996

NOTICE: An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

PRC: Spokesman Urges Taiwan To Return to 'One China' Stand [ <i>Hong Kong WEN WEI PO 12 Jul</i> ]	1
PRC: AFP: Nuclear 'Negotiator' Warns Against 'Unequal Treaty' [AFP]	1
PRC: Official: China Makes 'Great Concessions,' Wants Early CTBT [ <i>Hong Kong MING PAO 14 Jul</i> ]	1
PRC: Li Peng Meets UN Under Secretary General [XINHUA]	2
PRC: XINHUA Cites PRC UN Envoy on Observer Mission in Georgia [XINHUA]	2
PRC: HK Paper Views China's Diplomatic Achievements [ <i>Hong Kong TA KUNG PAO 11 Jul</i> ]	3
PRC: Guizhou To Receive Assistance From World Food Program [XINHUA]	5

##### United States & Canada

PRC: Commentary Criticizes U.S. Trade Sanctions Against Cuba [XINHUA]	5
PRC: Editorial Warns: US Has No Right To Impose Its Views [ <i>Hong Kong HONGKONG STANDARD 13 Jul</i> ]	6
PRC: Editorial on U.S. 'Discourtesy' Toward Defense Minister Chi [ <i>Hong Kong SOUTH CHINA MORNING POST 15 Jul</i> ]	6
PRC: New Book on Sino-U.S. Relations Seen Combating 'Pressure' [XINHUA]	7
PRC: Canada To Help With 3d Phase of Qinshan Nuclear Project [XINHUA]	8

##### Northeast Asia

PRC: Li Lanqing Meets Japanese Foreign Ministry Official 11 Jul [XINHUA]	8
PRC: SDP Mission Meets With Qian Qichen, Other Officials [ <i>Tokyo KYODO</i> ]	9
PRC: Delegation Arrives for 'Friendly' Visit to DPRK [XINHUA]	9
PRC: DPRK Vice President Meets PRC Friendship Delegation 11 Jul [ <i>Beijing International</i> ]	9
PRC: Luo Gan: Sino-DPRK Ties To Be 'Further Deepened' [XINHUA]	10
PRC: Embassy in DPRK Hosts Banquet To Mark Treaty Anniversary [XINHUA]	10
PRC: DPRK Armed Forces Minister Meets North Sea Fleet Commander [XINHUA]	10
PRC: XINHUA Notes Anthony Lake's ROK Visit [XINHUA]	11

##### Southeast Asia & Pacific

PRC: Prosperity of Developing APEC Members Called 'Critical' [XINHUA]	11
PRC: Lao Party Congratulates CPC's 75th Founding Anniversary [XINHUA]	12
PRC: Jiang Zemin Congratulates General Secretary Do Muoi [ <i>Beijing International</i> ]	12

##### Near East & South Asia

PRC: Military Goodwill Delegation Visits India 3-10 Jul [XINHUA]	12
PRC: Kuwait Provides Loan for Irrigation Project [XINHUA]	13

##### West Europe

PRC: Spokesman Warns Relations To Suffer Over Dalai's UK Visit [AFP]	13
--	----

PRC: Henan Governor, Delegation Visit Denmark, Britain [HENAN RIBAO 26 Jun]	13
PRC: Secretary-Led Hebei Delegation Returns From European Visit [HEBEI RIBAO 19 Jun]	14

## NATIONAL AFFAIRS

### Political & Social

PRC: Deng Death Rumor Resurfaces; Daughter Said To Delay Trip [Hong Kong PING GUO JIH PAO 13 Jul]	16
PRC: Report on Leaders' Activities 5-10 Jul [Beijing Radio, etc.]	16
PRC: China Refuses Chiang Kai-Shek's Reburial on Mainland [Hong Kong HONGKONG STANDARD 15 Jul]	18
PRC: Hu Jintao Calls For Training High-quality Cadres [XINHUA]	19
PRC: Jiang Zemin, Officials Attend Artillery Corps Anniversary [XINHUA]	19
PRC: Beijing Imposes Restrictions on Coverage of Olympic Games [Hong Kong MING PAO 13 Jul]	19
PRC: 2,109 Students Graduate From 'CPC Party School' [XINHUA]	20
PRC: 'Public Prosecutor's Society of China' Founded 12 Jul [XINHUA]	20
PRC: Wang Bingqian Requests Environmental Protection Legislation [XINHUA]	20
PRC: Beijing To Authenticate Environmental Protection Standards [XINHUA]	21
PRC: Rules Issued on Recruitment of Foreign Teachers [ZHONGGUO XINWEN SHE]	21
PRC: Power Industrial Minister Inspects Shaanxi 14-15 Jun [SHAANXI RIBAO 16 Jun]	21
PRC: Prosecutors Handle 26,667 Corruption Cases in Five Months [XINHUA]	22
PRC: RENMIN RIBAO Commentary Calls For Keeping Prices Stable [XINHUA]	23

### Science & Technology

PRC: Aerospatiale Official Comments: Firm Looks Forward to Cooperation With China [ZHONGGUO HANGTIAN No 5, May 96]	23
PRC: First Successful Flight of Jian-8 II Model M Fighter Reported [HANGKONG ZHISHI No 5, May 96]	24
PRC: Plans for DXF100 Wing-in-Ground Effect Aircraft Approved [HANGKONG ZHISHI No 5, May 96]	24
PRC: PRC Commissions Spar Aerospace To Build Two Satellites [CHINA DAILY (BUSINESS WEEKLY) 20 Jul]	24
PRC: Lockheed-Martin To Export Telecommunications Satellite [XINHUA]	25
PRC: Successes Scored in Scientific Research on Nansha Islands [Hong Kong ZHONGGUO TONGXUN SHE 11 Jul]	25
PRC: Digital Technology Widely Used in Surveying [XINHUA]	26
PRC: GSM Telecommunication Services Set Up in Fujian, Jilin [XINHUA]	26
PRC: Lucent Technologies Sets Up Solutions Center in Beijing [XINHUA]	27
PRC: Nuclear Power Output Increases by Nearly Half Jan-Jun [XINHUA]	27
PRC: Opening of New Oil Fields for Foreign Oil Companies [XINHUA]	27

### Military & Public Security

PRC: Licensed Production of Su-27 Expected To Increase [Tokyo NIHON KEIZAI SHIMBUN 14 Jul]	28
PRC: Article on Battlefield 'Visibility' [JIEFANGJUN BAO 11 Jun]	28
PRC: Liaoning Article on Militia, Reserve Forces [LIAONING RIBAO 16 Jun]	29
PRC: Journal Examines High-Tech Impact on Naval Warfare [ZHONGGUO JUNSHI KEXUE 20 Feb]	33
PRC: Convicts Sentenced at Xinjiang Public Sentencing Rally [Urumqi TV]	38
PRC: Shandong Holds Conference on 'Malpractice' on Highways [Jinan Radio]	39
PRC: Shandong Achieves Results Against Narcotics-Related Crimes [DAZHONG RIBAO 26 Jun]	39
PRC: Drug-Related Criminals Executed by Shooting in Gansu [GANSU RIBAO 26 Jun]	40

PRC: Hubei Announces Anticorruption Results for Jan-May [Wuhan Radio] .....	40
PRC: Hubei Smashes Den Dealing in Counterfeit Banknotes, Gold [HUBEI RIBAO 22 Jun] ..	40
PRC: Liaoning's Xiuyan Confiscates Firearms, Dynamites [LIAONING RIBAO 22 Jun] .....	40
PRC: Nine Criminals Executed by Shooting in Ningxia's Yinchuan [NINGXIA RIBAO 20 Jun]	41
PRC: Lanzhou in Gansu Province Executes Narcotics Traffickers [GANSU RIBAO 27 Jun] ...	41
PRC: Tianjin Sentences Ten Robbers of Taxicabs to Death [TIANJIN RIBAO 26 Jun] .....	41

## PRC MEDIA ON TAIWAN AFFAIRS

PRC: Official: Political Talks Needed in Cross-Strait Relations [Hong Kong WEN WEI PO 14 Jul]	42
PRC: ARATS Official on Transfer of Chiang's Remains to Mainland [Hong Kong WEN WEI PO 15 Jul] .....	42

## TAIWAN

Taiwan: Li Teng-hui Speech at National Assembly [Office of the President of the Republic of China WWW] .....	44
Taiwan: Li Teng-hui, Paraguayan President Pledge To Strengthen Ties [Taiwan Central News Agency WWW] .....	48
Taiwan: Li Teng-hui Interviewed on Cross-Strait Developments [Taiwan Central News Agency WWW] .....	49
Taiwan: Sino-U.S. Consultative Meeting on Telecommunication Begins [Taipei Radio] .....	49
Taiwan: Ministry Spokesman Welcomes AIT Head's 11 Jul Remarks [Taiwan Central News Agency WWW] .....	50
Taiwan: CNA Holds Forum on Cross-Strait Ties After Lake's PRC Trip [Taiwan Central News Agency WWW] .....	50
Taiwan: KMT To Study Proposal For Sending Chiang Remains to China [Taiwan Central News Agency WWW] .....	51
Taiwan: Beijing Authoritative Sources Say Deng Death Only Rumor [Taiwan Central News Agency WWW] .....	52
Taiwan: Paraguayan President Promotes Investment [Taiwan Central News Agency WWW] .....	52
Taiwan: Agency Approves \$400 Million in Loans for Chip Makers [Taiwan Central News Agency WWW] .....	53
*Taiwan: National Security Bureau Studying 'Pragmatic Sovereignty' [HSIN HSIN WEN 20 Apr] ..	53
*Taiwan: Peng Ming-min Gives Impetus to Taiwan Independence Movement [HSIN HSIN WEN 20 Apr] .....	55
*Taiwan: Antonio Chiang Views CCK's Unsuccessful Assassin [HSIN HSIN WEN 18 May] .....	57
*Taiwan: Commentary on 'May 20 Syndrome' [HSIN HSIN WEN 11 May] .....	58

## HONG KONG & MACAO

### Hong Kong

Hong Kong: Ambassador Jiang Enzhu on Hong Kong's Transition [Hong Kong WEN WEI PO 13 Jul] .....	59
Hong Kong: Formula Reached on Hong Kong SAR Selection Committee [XINHUA] .....	59
Hong Kong: Editorial Justifies Provisional Legislature [Hong Kong WEN WEI PO 9 Jul] .....	60
Hong Kong: Meeting for Hong Kong Return Celebration Held in Beijing [XINHUA] .....	61
Hong Kong: XINHUA Commentary on 1997 Countdown .....	62
Hong Kong: Press Groups Accuse PRC of Strict Controls [Hong Kong HONGKONG STANDARD 13 Jul] .....	66
Hong Kong: Editorial Views Anson Chan's Chances for Top SAR Position [Hong Kong HONGKONG STANDARD 13 Jul] .....	66
Hong Kong: Support for Anson Chan In Battle for Leadership Increases [Hong Kong SOUTH CHINA SUNDAY MORNING POST 14 Jul] .....	67
Hong Kong: Editorial on Police Leave Plans for Handover [Hong Kong SOUTH CHINA MORNING POST 12 Jul] .....	67
Hong Kong: XINHUA Reports Hong Kong Exports Rise Slightly in May .....	68
Hong Kong: Data on Hong Kong Available on Internet [XINHUA] .....	69



## General

### PRC: Spokesman Urges Taiwan To Return to 'One China' Stand

HK1207081396 Hong Kong WEN WEI PO in Chinese  
12 Jul 96 p a2

[Dispatch by trainee reporter Su Kuei-you (5685 6311 0645): "Beijing Sends Word to the Taiwan Authorities: Draw a Useful Lesson From the Story 'Mending the Fold After the Sheep Is Lost'"]

[PTS Translated Text for FBIS] Beijing, 11 Jul (WEN WEI PO) — Foreign Ministry spokesman Cui Tiankai commented here today on the so-called request recently made by leaders of the Taiwan authorities on contacts with leaders of the Chinese mainland. He says that the idea of cross-strait contacts was first proposed by the Chinese mainland. The most pressing matter at present for the leaders of the Taiwan authorities is not to make some verbal statements to the outside world. On the contrary, they must take practical action to genuinely return to the stand of one China. The spokesman says that there was a story concerning "mending the fold after the sheep is lost" in ancient China. The Taiwan authorities should learn something from history.

### PRC: AFP: Nuclear 'Negotiator' Warns Against 'Unequal Treaty'

OW1307120996 Hong Kong AFP in English  
1144 GMT 13 Jul 96

[FBIS Transcribed Text] Beijing, July 13 (AFP) — A Chinese negotiator for the troubled test ban treaty warned Saturday that Beijing would never sign an "unequal treaty" that gave "one very advanced country" exclusive power to launch nuclear inspections.

In a clear reference to the United States, the diplomat said "one very advanced country" was attempting to use its own monitoring technology as a sole criterion to initiate on-site inspections under the treaty.

"We cannot allow a few countries to be self-proclaimed international police and we can never accept this," said the diplomat, who asked not to be identified.

"It is so obvious that these national technical means could be misused and the implication is clear that the future treaty could be unequal," he said.

But the diplomat, who will return to Geneva when negotiations resume on July 29, was still optimistic that this and other outstanding issues on the Comprehensive Test Ban Treaty (CTBT) could be resolved.

"We still have some time and we don't think this (deadlock) is the end of the world," he said.

Talks were temporarily suspended on June 28, mainly because India and a number of other non-declared nuclear nations insisted on making a link between a ban on testing and a concrete commitment to disarmament.

Other issues yet to be agreed include the procedure for initiating on-site inspections and the treaty's effective date.

China has already dropped its proposal to allow "peaceful nuclear explosions" that could advance non-aggressive technology, and the negotiator urged other parties to follow Beijing's flexible lead and come to a swift consensus.

"We are trying our level best to negotiate a good treaty...and we are negotiating with the expectation that China will sign and comply," he said.

Russia, Britain, the United States and France have all declared unofficial moratoria on testing and China remains the only declared nuclear power to continue testing.

But China has already announced that it will conduct one more test and then declare its own moratorium by September, and it frequently claims its nuclear capacity is significantly less than the other nuclear states.

"China is the nation that has conducted the least number of tests and our plan (on nuclear development) has been shortened and cut as a result of this treaty," he said.

The G-7 group of the world's leading industrial nations met with Russia last month during their summit and pressed for the CTBT to be ready in time for signature at the opening of the UN General Assembly's next session in late September.

### PRC: Official: China Makes 'Great Concessions,' Wants Early CTBT

HK1507090496 Hong Kong MING PAO in Chinese  
14 Jul 96 p A6

[Report: "Beijing Willing To Make Concessions, Nuclear Test Ban Treaty Expected To Be Concluded in September"]

[PTS Translated Text for FBIS] A principal Chinese negotiator at the UN Nuclear Disarmament Talks said yesterday that despite the differences existing between various parties on a number of major issues, a Comprehensive Test Ban Treaty [CTBT] is expected to be concluded in September. In order to bring about an early signing of the treaty, China has made enormous concessions.

### **Urging the United Nations To Sign a Treaty at an Early Date**

The Chinese negotiator, who was not willing to be identified, said that the parties concerned are doing their utmost to reduce their differences so that the CTBT can be submitted to the 57th UN General Assembly to be held in September this year.

The latest round of talks on comprehensively banning nuclear tests ended on 28 June. The negotiators reached agreement on the text of the treaty. The chairman presented his text of the treaty, allowing the delegates concerned to report to their respective governments so that a CTBT can eventually be reached based on the chairman's text at the talks scheduled to open on 29 July.

According to the Chinese negotiator in Geneva, the parties concerned have differences on four issues. First, the relationship between disarmament and a comprehensive ban on nuclear tests. A number of nonnuclear states insist on drafting a timetable for nuclear disarmament, but the nuclear states believe that this would be unrealistic. In this regard, China's position is that it supports the drafting of a timetable for nuclear disarmament. In the specific timing for implementation, China insists on holding talks and reaching a treaty on nuclear disarmament. Second, the different views on the scope of applicability of the treaty, particularly the difference in understanding of the term "comprehensive." Third, the varying views on inspecting implementation of the treaty. Fourth, there are also different views on the question of how far countries should ratify the treaty to make it effective.

### **Manifesting Flexibility and Sincerity**

In order to conclude a treaty at an early date, the Chinese official acknowledged that China had made great concessions and in particular given up its position on continuing its nuclear tests for peaceful purposes, which is aimed at dispelling the misgivings of Japan, Canada, and other countries and accelerating the pace of the talks. Over the past half year or so, China had tried in vain to persuade other countries, including Japan, to accept China's nuclear tests for peaceful purposes.

At the same time, the Chinese negotiator said that China realized that it was impossible to reach a common understanding on its nuclear explosions for peaceful purposes and had given up its previous stand purely to manifest China's flexibility and sincerity. China also hopes that other countries can manifest their flexibility and sincerity.

### **PRC: Li Peng Meets UN Under Secretary General**

*OW1507101896 Beijing XINHUA in English  
0842 GMT 15 Jul 96*

[FBIS Transcribed Text] Beijing, July 15 (XINHUA) — Chinese Premier Li Peng met here this morning with Elizabeth Dowdeswell, Under Secretary-General and Executive Director of the United Nations Environment Program (UNEP).

During the meeting, Li said that the United Nations has played a major role in coordinating and guiding global environmental protection, and the Chinese Government will continue to actively support the UNEP.

China has attached great importance to environmental protection, Li said. The country has decided the objectives for environmental protection in the next 15 years, hammered out concrete measures for their implementation, and consistently carried out strategies for sustainable development, he added.

Environmental protection is an arduous task, he said, and China will work tirelessly for the realization of the trans-century objectives to protect the environment.

China and the UNEP have enjoyed friendly and close cooperative relations, Li said, and the Chinese government appreciates the UNEP's efforts to promote dialogue and cooperation on global environment and development, and to help developing countries improve their own environments.

Li also welcomed Dowdeswell to Beijing, where she is attending China's 4th National Conference on Environmental Protection, which opened here today.

Dowdeswell said that the Chinese government pays great attention to environmental protection and makes great efforts to promote the cause, and its efforts are appreciated in the international community. She said that UNEP is willing to enhance its cooperation with China.

### **PRC: XINHUA Cites PRC UN Envoy on Observer Mission in Georgia**

*OW1307004096 Beijing XINHUA in English  
2031 GMT 12 Jul 96*

[FBIS Transcribed Text] United Nations, July 12 (XINHUA) — The United Nations Security Council today decided to extend the mandate of the United Nations Observer Mission in Georgia (UNOMIG) for an additional period terminating on January 31, 1997.

In a resolution adopted unanimously, the council decided that the extension is subject to a review by the council of the mandate of the UNOMIG in the event of

any changes that may be made in the mandate of the Collective Peacekeeping Forces of the Commonwealth of Independent States (CIS peacekeeping force).

The Security Council noted with deep concern the continued failure by the Georgian government and the Abkhaz side to resolve their differences due to the uncompromising position taken by the Abkhaz side.

It underlined the necessity for them to intensify without delay their efforts, under the auspices of the United Nations and with the assistance of the Russian Federation as facilitator, to achieve an early and comprehensive political settlement of the conflict, including on the political status of Abkhazia within the State of Georgia, which fully respects the sovereignty and territorial integrity of Georgia.

The council demanded that the Abkhaz side accelerate significantly the process of voluntary return of refugees and displaced persons without delay or preconditions.

The council condemned ethnically motivated killings and other ethnically related acts of violence, condemned the laying of mines in the Gali region, and called upon the parties to take all measures in their power to prevent mine laying and to cooperate fully with the UNOMIG and the CIS peacekeeping force.

Ambassador Wang Xuexian, Chinese acting permanent representative to the United Nations, said at the Security Council that it was the crux of the political settlement of the Georgia question that whether or not this newly-independent member state would continue to maintain its sovereignty and territorial integrity or be dismembered.

"The position of the council on this question is a clear-cut one, i.e. the sovereignty and territorial integrity of Georgia must be respected and a comprehensive political settlement of the Georgia question must proceed within this framework," he said.

He urged the parties concerned, particularly the Abkhaz authorities, to take concrete actions in a realistic approach and focus on settling the political status of Abkhazia so as to advance the peace process in Georgia and enable the Georgian people of all ethnic groups to live and work in peace and contentment at an early date.

The Abkhaz authorities attempted to separate from Georgia though Abkhaz accounted for less than 20 percent of the local population in this multi-ethnic northwestern region of Georgia in the early 1990s.

The conflict escalated into a series of armed confrontations in mid-1992 when the Georgian government deployed troops there to protect railway and certain com-

munication links in Abkhazia, strategically located on the Black Sea.

A cease-fire agreement was reached on September 3, 1992, in Moscow by Georgia, the leadership of Abkhazia and the Russian Federation.

The Security Council decided to establish the UNOMIG in August 1993 to monitor the cease-fire, to investigate cease-fire violations and to attempt to resolve such incidents with the parties involved. The UNOMIG consists of 125 persons at present.

#### **PRC: HK Paper Views China's Diplomatic Achievements**

*HK1507021396 Hong Kong TA KUNG PAO  
in Chinese 11 Jul 96 p A2*

[Editorial: "China Scores Important Progress in All-Directional Diplomacy"]

[PTS Translated Text for FBIS] Chinese President Jiang Zemin returned to Beijing on 6 July, having concluded his visit to six European and Asian countries. This tour by President Jiang, along with Premier Li Peng's attendance of the VCP [Vietnamese Communist Party] Eighth National Congress at the head of a CPC delegation, have pushed China's all-directional diplomacy to a new climax in the first half of this year. It was unprecedented in Chinese diplomatic history for a Chinese supreme leader to visit 12 African, European, and Asian countries over the past two months. The very active all-directional Chinese diplomacy has caught the world's attention.

While summarizing the results of President Jiang Zemin's visit to the six European and Asian countries, State Council Vice Premier Qian Qichen, who is also Foreign Minister, said: During the visit, China and the six countries signed approximately 30 important documents, which have further determined principles and goals for developing bilateral relations and opened up new prospects for cooperation in many specific arenas, including economic and trade relations, legislative ties, and transportation. In particular, Qian indicated that in the wake of the signing of boundary accords between China and Russia and between China and Kazakhstan, and the signing of the agreement by China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan on strengthening confidence in the military field in their border areas, China and Tajikistan signed a boundary accord during the recent visit, which is of great historic significance.

Since the end of the Cold War, complicated and profound changes have taken place in the world, with various forces engaging in fierce competition as well as



struggling for mutual participation and cooperation. The world wants peace, nations want stability, and society wants progress. Nevertheless, hegemonism and power politics remain; there is no tranquility on Earth; and peace and development are facing stern tests. Under such circumstances, China and developing countries as well as countries in this region have further strengthened solidarity and cooperation; this is of great significance to safeguarding world peace, seeking common development, and establishing a fair, rational international political and economic order.

In May, President Jiang Zemin conducted a visit to six African countries, which was of great historic significance and achieved numerous results. The visit has fully embodied the spirit of treating each other as equals, of sincerity and friendliness, of solidarity and cooperation, and of common development, thereby making great contributions to building a framework of Sino-African friendly, cooperative relations for the 21st century. The recent visit has written a new chapter on Sino-African friendship and set a new milestone in the history of Sino-African friendly relations.

Another important historical event in the first half of this year was the signing in Shanghai on 26 April of an agreement by President Jiang Zemin, Russian President Yeltsin, Kazakhstani President Nazarbayev, Kyrgyz President Akayev, and Tajik President Rakhmanov on building confidence in the military field in their border areas. This agreement will play a very important role in enhancing China's good-neighbor, friendly relationship with these four countries and will have far-reaching effects on the peace, stability, and development of the Asia-Pacific region.

Of the approximately 20 heads of state and government China has received over the past six months, the overwhelming majority of them were from Asian, African, and regional countries. Among them were the presidents of Sri Lanka, Tajikistan, Kazakhstan, Kyrgyzstan, Ghana, Guinea, and Palestine; the prime ministers of Mongolia, Lebanon, Bulgaria, and Nepal; and the chairman of the Burmese State Law and Order Restoration Council. In addition to President Jiang's visit to six African countries, Vice Premier Zhu Rongji visited three Latin American countries as well as Thailand, Malaysia, and Indonesia, and Vice Premier Wu Bangguo visited such Arab countries as the United Arab Emirates and Jordan.

With respect to relations with the major powers, President Qiao Shi's visit to Russia in late March and the Russian president's visit to China in late April have moved Sino-Russian relations toward deeper, sustained development. The two countries have decided to es-

tablish a strategic cooperative partnership for the 21st century. In addition, some positive changes have taken place in Sino-U.S. relations too. Chinese Foreign Minister Qian Qichen said not long ago: "I am optimistic about the prospects in the development of Sino-U.S. relations." On 26 June, China and the United States reached an accord on issues related to intellectual property rights; on 27 June, the U.S. House of Representatives vetoed a proposal opposing the extension of MFN status for China; and only last Saturday, Anthony Lake, the U.S. president's national security affairs adviser, arrived in Beijing in what will be an important step to deepen understanding between China and the United States and to consolidate the recent progress in diplomacy.

China has made new progress in its relations with European countries, with marked results in trade and economic cooperation between the two sides. In early March, Premier Li Peng attended the Asia-Europe Summit in Bangkok, during which he set forth several features to be assumed in the new type of Asian-European relations; namely, respect each other and treat each other as equals; seek common ground while putting aside differences; enhance mutual understanding and trust; seek mutual benefit and complement each other's strengths; and look into the future and work for common development to make contributions to the new-type Asian-European partnership facing the 21st century.

In mid-April, Premier Li Peng visited France at his counterpart's invitation, thereby enabling further progress in Sino-French relations. The two governments and business circles signed a series of important economic and trade accords and contracts, involving a total of 12 billion francs. In addition, Sino-British relations have improved, too; when British Deputy Prime Minister Heseltine visited China, 200-plus British businessmen joined him in his visit to seek trade and economic opportunities in China and to push the development of bilateral trade and economic relations.

China's policy of actively unfolding all-directional diplomacy has roused the world's attention. Commenting on President Jiang Zemin's visit to six European and Asian countries, REUTER said President Jiang's visit aimed to make friends all over the world and was a component of the strategy to defeat Western containment. AFP holds the view that China's all-directional diplomatic offensive has enjoyed initial success in various fields: Its restriction of Taiwan has been enhanced; the UN bill on human rights has been aborted once again; its influence over regional countries has greatly strengthened; and every time the United States threatened to adopt trade retaliation against

China, it would end up with nothing concrete. All these successes were achieved without China having to make any obvious concessions.

**PRC: Guizhou To Receive Assistance From World Food Program**

OW1307023096 Beijing XINHUA in English  
0205 GMT 13 Jul 96

[FBIS Transcribed Text] Guiyang, July 13 (XINHUA) — Southwest China's Guizhou province is undertaking a project with an assistance of the World Food Program (WFP).

The project with more than 90,000 tons of wheat provided by WFP and 110 million yuan offered by the local government is aimed at helping more than 250,000 people in the remote multi-ethnic Guizhou to get rid of poverty.

This is the third WFP-assistant project in Guizhou, which will benefit 191 villages in four cities and counties of the Tongren prefecture.

The first two projects, which were put into operation, have helped improve the living standards of tens of thousands of people in karst areas.

**United States & Canada**

**PRC: Commentary Criticizes U.S. Trade Sanctions Against Cuba**

OW1407135196 Beijing XINHUA Domestic Service  
in Chinese 0903 GMT 14 Jul 96

[Commentary by XINHUA reporter Zhou Xisheng (0719 6932 3932): "The United States' Big Stick of Power Politics Hits Snags Everywhere"]

[FBIS Translated Text] Washington, 13 Jul (XINHUA) — The United States has recently acted willfully again by continually wielding its big stick of power politics in international affairs. This has aroused widespread indignation in the international community. Even some influential newspapers and publications in the United States have made veiled criticisms by advising the Clinton administration not to make enemies everywhere in the world and end up hurting other countries and itself.

Of the United States' recent acts of power politics, the most notable one is the "Helms-Burton Law." The law contains many details, and its main purpose is to tighten the total sanctions that the United States has imposed on Cuba for more than 30 years and to trigger a "chain reaction" from the sanctions. This means all foreign companies that maintain any economic relations and trade with Cuba will be punished by the United

States. The punishment includes a strict ban on the entry into the U.S. market of any products made by these companies and a strict ban on the entry into the United States of the senior managerial personnel of these companies and their families. This kind of "chain-reaction" sanctions is a rarity in international practice and can be described as a major invention by the United States.

As soon as it was tabled in the U.S. Congress, the "Helms-Burton Act" was unanimously condemned and strongly protested by countries that maintain economic contacts and trade with Cuba. Those in power in the United States, however, disregarded them and turned the act into U.S. law in February 1996. On 10 July, the U.S. Government announced that the "Helms-Burton Law" would officially take effect. In an attempt to warn other countries, it made the Canada-based Sherritt International, which thumbed its nose at the law by cooperating with Cuba in mining, the first target of its attack. This action immediately elicited widespread, strong protests from the international community. The Canadian Government said that it could not tolerate such "absurd and unreasonable" sanctions by the United States. Santer, president of the European Commission, wrote Clinton, urging him to exercise his presidential power and delay putting the law into effect. France said that the new U.S. sanctions were "a new step on the wrong track" and warned the United States that the 15 EU member countries would take "collective retaliatory action" if it continued to act willfully. Germany described the U.S. action as "unacceptable." Spain clearly indicated that it would be forced to take retaliatory measures, and urged Spanish investors in Cuba to ignore the "Helms-Burton Law." It is difficult to assess how effective the reaction of these countries will be. If Canadian tourists refuse to spend their vacations in the southern U.S. state of Florida, the losses to the United States this year are estimated at \$1.3 billion. Obviously, these countries have their own "weapon" to counter the United States' big stick of power politics.

One wave had hardly subsided when another rose. While stubbornly implementing the "Helms-Burton Law," the United States drew up laws aimed at comprehensively tightening sanctions on Iran and Iraq and on foreign countries that maintain economic relations and trade with these two countries. The day after its announcement of sanctions against the Canada-based Sherritt International, the U.S. Government suddenly claimed that Colombian President Samper was involved with Colombian drug barons and decided to revoke his entry visa. This led to the further deterioration of U.S.-Colombian relations. Many Latin American countries were angered by the United States' willful revocation of the entry visa

for the head of a sovereign state, saying that the action set a "precedent with serious consequences."

Driven beyond the limits of forbearance, many countries — including the United States' strategic allies and traditional trade partners — unanimously said "No" to the United States' arbitrary actions, thus putting the United States in a very embarrassing situation in the international community. All this is of the United States' own making. Everything that the United States has done once again clearly reveals its hegemonic mentality: The United States — the self-proclaimed "leader of the world" — is to set the tone for all international affairs, be they regional or international, political or diplomatic, economic or security. The United States will interfere and impose sanctions if they do not conform with its overall strategic goal and its economic security and interests. Even the allies, friends, and neighbors of the United States cannot escape its big stick of power politics. Some local media commentary questioned: To tighten its sanctions against Cuba, the United States does not even spare the children of managerial personnel in foreign companies. Does this accord with the standard of human rights that the United States has repeatedly preached?

The post-Cold-War world is moving toward multipolarity. The pursuit for peaceful development and cooperation on an equal footing has become the general trend of development in the world today. Given the international tide of growing economic interdependence among various countries and a growing sense of national independence, the U.S. attempt to continue dictating world affairs is only wishful thinking. Each country has its own goal, and no other country can interfere with its right of self-determination. Recent events clearly demonstrate that when the United States wielded its big stick of power politics, many countries — be they from North America, South America, Europe, or Asia — courageously hit back and showed not even the slightest hesitation to safeguard their own interests. Even businessmen in the United States do not want to miss their opportunities because of the "Helms-Burton Law" and see companies from other countries seize the Cuban market. It would seem that the U.S. act of power politics does not enjoy popular support, either at home or abroad. U.S. leaders should draw some lesson from this.

#### **PRC: Editorial Warns: US Has No Right To Impose Its Views**

*HK1507074196 Hong Kong HONGKONG STANDARD in English 13 Jul 96 p 12*

[Editorial: "US Has No Right To Impose Ugly Cuba Law"]

[PTS Transcribed Text for FBIS] It is illogical that America, which has made peace with Vietnam, is unable to free itself from the tentacles of the past when it comes to Cuba.

It is even more illogical that Washington insists on conducting foreign policy by temper tantrum, by announcing punitive measures under the Helms-Burton Act which is designed to tighten the US embargo against Cuba.

This ill-conceived law cuts a swathe much wider than the modest dimensions of the Caribbean island.

The act provides harsh penalties for foreign nationals doing business in Cuba, even though those foreigners are adhering to the laws of their own lands. Toronto-based Sherritt International Corp has rightly rejected United States jurisdiction over its operations and defiantly said it will push ahead with its Cuban investments.

Canadian Trade Minister Art Eggleston has threatened to appeal over the issue to the authorities of the North American Free Trade Agreement.

President Bill Clinton signed the law in March after Cuba shot down two civilian light aircraft over the Florida Straits killing four Miami men of Cuban origin.

In a US election year, with key Cuban-American votes in Florida and New Jersey at stake, the act was ready-made to respond to editorial indignation and signal the president's willingness to take decisive action.

But it is also a signal that American foreign policy is getting out of hand. Washington has no right to impose its views on the rest of the world and tell other people who they can do business with.

#### **PRC: Editorial on U.S. 'Discourtesy' Toward Defense Minister Chi**

*HK1507073996 Hong Kong SOUTH CHINA MORNING POST in English 15 Jul 96 p 18*

[Editorial: "Clinton's Discourtesy"]

[PTS Transcribed Text for FBIS] China had no problem arranging for US national security adviser Anthony Lake to meet President Jiang Zemin, during his visit to Beijing last week. Nor did it have any difficulty doing



likewise for US Defence Secretary William Perry, when he last visited China two years ago.

Yet Washington seems unwilling to extend the same courtesy towards Beijing, refusing to arrange for Chinese Defence Minister General Chi Haotian to be received by US President Bill Clinton, so putting the already twice-postponed visit in danger of being derailed once more.

The cause of this breach of protocol is US politics. In an election year, President Clinton is desperate to avoid giving his Republican rivals any ammunition with which to criticise him, by meeting with the head of the forces that conducted March's provocative missile tests near Taiwan. The dispute is another unhappy reminder of how domestic political considerations can so easily interfere with Sino-US relations, especially in the run-up to a presidential election.

The timing of Washington's discourtesy is particularly unfortunate, since it comes just as bilateral ties are beginning to mend, following Mr Lake's successful trip last week. General Chi's visit, were it allowed to go ahead, would set the seal on a remarkable recovery in relations between the two Pacific powers, in the four months since their armies faced each other across the Taiwan straits. China could simply allow General Chi's trip to go ahead, without the customary call on the White House. But, for Beijing, such matters of protocol are supremely important, and this would look like a major loss of face. Nor is there any reason for the Clinton administration to be so timid over this.

The White House has ample experience in handling such politically inconvenient visits. Without any pictures for the TV news, controversy quickly fades away. With the president enjoying a 20-point lead in most opinion polls, he should be able to afford to take the negligible political risks involved in receiving a Chinese general, for the sake of better Sino-US relations. In doing so, he would demonstrate to the American people that he can set foreign policy agendas.

**PRC: New Book on Sino-U.S. Relations Seen Combating 'Pressure'**

OW1207135296 Beijing XINHUA in English  
1150 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — A new book that expresses strong patriotic feelings against U.S. intervention in China's affairs is currently a bestseller in China, Hong Kong and Taiwan.

Titled "A Depiction of Trials of Strength Between China and the United States," the book is widely regarded as a move to combat U.S. pressure.

It traces the Sino-U.S. relations from the War to Resist U.S. Aggression and Aid Korea (1950-1953) to Li Teng-hui's trip to the United States last July. And it discloses, for the first time in a Chinese publication, that James Lilley, the former U.S. ambassador to China, masterminded Li's U.S. visit.

The book reveals behind-the-scenes and background information that details the U.S.' pressure on China, which subsequently resulted in conflicts over issues such as Taiwan, textile trade, human rights, intellectual property rights, arms sales, the most-favored nation status and Harry Wu, a so-called "human rights" activist who was deported to the U.S. for violating several Chinese laws.

Chai Zemin, the first Chinese ambassador to the United States since the two countries normalized their relations, was advisor to the book-editing. In the book's preface, Chai wrote that the people of both China and the United States are the great people. However, the United States has proceeded from its own interests and "presumptuously" attempted to impose its own values and social system on others, making trouble for China, he said.

"It is unacceptable," Chai wrote.

Chai claimed that there are a few people in the United States who make an uproar about the "China threat" and cry for a "containment" policy toward China, in an attempt to hinder the country's growth and to prevent it from becoming mighty.

Such efforts by the U.S. are "doomed to failure," he said.

He said he hopes that the U.S. and China can develop relations peacefully, with more mutual understanding and respect which will benefit both countries.

More than 20,000 copies of "A Depiction of Trials of Strength Between China and the United States" sold out in less than a month, according to Qin Qianli, chief editor of the "Global Affairs Book Series."

In addition to printing the book, Qin said he is working on another book that tells of the Sino-U.S. relations from another perspective.

These books, which reviewed the past history and were written in response to a patriotic calling, are expected to be increasingly popular in China for the rest of the year, Qin predicted.

**PRC: Canada To Help With 3d Phase of Qinshan Nuclear Project**

*OW1407003896 Beijing XINHUA in English  
0017 GMT 14 Jul 96*

[FBIS Transcribed Text] Beijing, July 14 (XINHUA) — China and Canada have signed a project award agreement for the cooperation for the Qinshan phase III Candu nuclear power project, marking a significant progress in commercial negotiations between both countries on the construction of two 700 MW class Candu units.

The agreement, signed between the China National Nuclear Corporation (CNNC) and the Atomic Energy of Canada Limited (AECL) in Beijing on July 12, finalized the price and commercial terms for Qinshan Phase III Candu nuclear power project, as well as the financing scope and conditions from the Canadian Export Development Corporation, and the other export credit agencies, which are the key elements of the final contract.

President of the China National Nuclear Corporation [CNNC] Jiang Xinxiong, and President of the Atomic Energy of Canada Limited [AECL] Reid Morden, who attended the signing ceremony, expressed their hope that the signing will be the starting point of a long-term partnership on nuclear energy between the two countries.

Since the agreement of cooperation on the peaceful utilization of nuclear energy was signed between the Chinese and Canadian governments during the Canadian Prime Minister's visit to China in November of 1994, there has been significant progress in cooperation between the two countries on construction of nuclear power projects.

Of particular note, during the visit to Canada by Premier Li Peng in October of 1995, the governments of China and Canada signed a memorandum of understanding, which outlined agreement on cooperation for the construction of two Candu units at the Qinshan site. In addition, CNNC concluded an agreement on the principles for commercial negotiations with AECL. With the attention and support offered by the leaders of both countries, detailed technical and commercial negotiations began and after nearly six months' effort, the project award agreement was signed, which serves as basis for the approval process, and the formal signing of contracts.

The project consortium will be led by AECL and the customer is Qinshan Nuclear Power Company. The reactor type is the proven 700 MW Candu design, one of the world's highest-performing reactor types. It has been installed and operated in Canada, Argentina, the

Republic of Korea and Romania. There are currently three more Candu's of this type under construction in the Republic of Korea, in addition to the Qinshan Project. Discussions are underway for a second unit in Romania.

### Northeast Asia

**PRC: Li Lanqing Meets Japanese Foreign Ministry Official 11 Jul**

*OW1107131796 Beijing XINHUA in English  
1114 GMT 11 Jul 96*

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — Chinese Vice-Premier Li Lanqing said here today that China is willing to further strengthen mutual trade cooperation with Japan, China's largest trade partner.

Li said that Sino-Japanese trade cooperation is beneficial to the region's economic development, as well as to the rest of the world.

Li made the remark in Beijing this morning while meeting with Deputy Vice-Director General of Foreign Affairs Ogura Kazuo of the Japanese Foreign Ministry, who is here to report on the G-7 summit in Lyon, France.

During the meeting, Li said that Sino-Japanese relations are expanding steadily, and bilateral economic cooperation is progressing smoothly.

In regard to China's entry into the World Trade Organization (WTO), Li said that the acceptance of China into the WTO will contribute to the improvement of an international, multi-lateral trade system, which will help strengthen the WTO's function and unilateral needs.

Meanwhile, he added, China is willing to continue dialogues with the concerned parties to resolve this issue, based on a balance between rights and obligations.

Li also appreciated Japanese Prime Minister Ryutaro Hashimoto and the Japanese Government for the positive attitude they have adopted on this issue.

Ogura said the Japanese Government has always paid attention to the growth of its relations with China, and that Japan held that China's entry into the WTO is conducive not only to the strengthening of the world trade system, but also to the promotion of peace and prosperity in the Asia-Pacific region and the world at large.

Chinese Vice-Foreign Minister Tang Jiaxuan also held consultations with Ogura about the G-7 summit.

**PRC: SDP Mission Meets With Qian Qichen, Other Officials**

*OW1107150596 Tokyo KYODO in English  
1456 GMT 11 Jul 96*

[FBIS Transcribed Text] Beijing, July 11 KYODO — A high-powered mission from the Social Democratic Party (SDP), one of the three Japanese ruling coalition parties, met Thursday with Foreign Minister Qian Qichen and other Chinese officials upon arrival in Beijing.

The SDP mission, led by Secretary General Kanju Sato, was understood to talk about security issues and China's nuclear testing.

The delegation will hold talks with Chinese President Jiang Zemin on Friday before proceeding to South Korea on Sunday, SDP officials said.

In the meeting with the SDP mission, Foreign Minister Qian expressed concern about any move to expand the application of the Japan-U.S. Security Treaty, SDP delegate Keiko Chiba told reporters.

Chiba noted that the SDP mission and Qian and other Chinese officials in their talks shared a common understanding of issues relating to security, Taiwan and the Korean peninsula but remained divided over China's nuclear tests.

**PRC: Delegation Arrives for 'Friendly' Visit to DPRK**

*OW1107172296 Beijing XINHUA in English  
1714 GMT 11 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 10 (XINHUA) — A high-level Chinese good-will delegation arrived here today to begin a friendly visit to the Democratic People's Republic of Korea (DPRK).

The delegation is headed by Luo Gan, State Councillor and Secretary-General of the State Council of China.

During the visit, the delegation will take part in the activities organized by the DPRK government to mark the 35th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance between China and the DPRK.

DPRK's Vice-Premier Jang Chol and Foreign Minister Choe U Jin came to the airport to greet the delegation.

The delegation laid wreath to the bronze statue of Kim Il-song, ex-chairman of the DPRK after they entered the capital.

At noon, Jang hosted a banquet to welcome the Chinese delegation on behalf of the DPRK government at the Mansudae Assembly Hall in the capital.

**PRC: DPRK Vice President Meets PRC Friendship Delegation 11 Jul**

*SK1307055096 Beijing China Radio International  
in Korean 1100 GMT 12 Jul 96*

[FBIS Translated Text] On the afternoon of 11 July, Yi Chong-ok, a member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and vice president of the DPRK, met with the PRC friendship delegation led by State Councillor Luo Gan.

The talks proceeded in a friendly atmosphere.

During the meeting, Yi Chong-ok said it is the invariable policy of the WPK and the government to develop the friendship between the DPRK and the PRC. He added that the DPRK people will exert every effort to further develop the DPRK-PRC friendship in conformity with President Kim Il-song's behests.

Saying that the DPRK highly evaluates the achievements made by the PRC in its socialist modernization work, Yi Chong-ok went on to say the DPRK supports the PRC's stance that the country's reunification should be achieved according to the principle of one country and two systems.

Following this, Luo Gan said the PRC-DPRK friendship has been forged by the two revolutionary leaders of the DPRK and the PRC, and that the firm friendship between the two parties and two peoples of the PRC and the DPRK has a strong enough vitality to overcome any trials.

Luo Gan continued that the CPC Central Committee led by Comrade Jiang Zemin deeply values the traditional friendship between the PRC and the DPRK, and stressed that the two countries should further enhance this friendship.

Luo Gan informed Yi Chong-ok of a decision of the PRC party and Government to provide food assistance to the DPRK free of charge. Yi Chong-ok expressed deep gratitude for this. Yi Chong-ok said providing food assistance to the DPRK free of charge is a great encouragement to the DPRK people, and that the DPRK will not forget this.

Luo Gan asked Yi Chong-ok to deliver greetings from the Chinese leaders, including Jiang Zemin, to Comrade Kim Chong-il. Yi Chong-ok asked Luo Gan to deliver greetings from Comrade Kim Chong-il to the Chinese leaders, including Jiang Zemin.



**PRC: Luo Gan: Sino-DPRK Ties To Be 'Further Deepened'***OW1107151396 Beijing XINHUA in English  
1452 GMT 11 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 11 (XINHUA) — China and the Democratic People's Republic of Korea (DPRK) will not sway from their positions of furthering the Sino-DPRK relations, a senior Chinese official said today.

State Councillor and Secretary-General of the State Council of China, Luo Gan, who is heading a goodwill delegation in Pyongyang, said that Sino-DPRK ties will be further consolidated and developed.

Li Jongok, Politburo member of the Workers' Party of Korea and Vice Chairman of DPRK, met Luo Gan and his delegation at the Mansudae Assembly Hall.

Luo said that Sino-DPRK relations, which have stood the tests of time, will be further deepened.

Luo and his delegation arrived here yesterday to mark the 35th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance Between China and DPRK. At the airport, they were greeted by DPRK's Vice-Premier Chang Chol and Foreign Minister Choe U Jin.

During the visit, the delegation will take part in activities organized by the DPRK government for the special occasion.

The delegation laid wreath to the bronze statue of Kim Il-song, founder of the DPRK, after they entered the capital yesterday.

**PRC: Embassy in DPRK Hosts Banquet To Mark Treaty Anniversary***OW1407091696 Beijing XINHUA Domestic Service  
in Chinese 1509 GMT 12 Jul 96*

[By reporter Zhu Kechuan (2612 0344 1557)]

[FBIS Translated Text] Pyongyang, 12 Jul (XINHUA) — Chinese Ambassador to the DPRK Qiao Zonghuai hosted a banquet this evening at the embassy to mark the 35th anniversary of the signing of the "Sino-Korean Treaty of Friendship, Cooperation, and Mutual Assistance."

Kim Yong-nam, vice premier of the DPRK Administration Council and DPRK foreign minister; Kim Kwang-chin, first vice minister of the DPRK People's Armed Forces; and Choe Hui-chong, chairman of the Central Committee of the Korean-Chinese Friendship Society, were invited to attend the banquet.

Also attending the banquet were a Chinese friendship delegation led by Luo Gan, state councillor and secretary general of the State Council; a delegation of the formation of warships of the Navy of the People's Liberation Army led by Lieutenant General Wang Jiying, commander of the North Sea Fleet; a delegation of the Chinese People's Association for Friendship With Foreign Countries led by the association's vice president Su Guang; and a delegation of the Korean-Chinese Friendship Society.

Qiao Zonghuai delivered a speech at the banquet. He said: "Signing of the 'Sino-Korean Treaty of Friendship, Cooperation, and Mutual Assistance' by the Chinese and DPRK Governments in 1961 was an event of great significance in the history of the friendly relations between the two countries. The treaty demonstrated to the world the common wish and determination of the people of the two countries to strengthen unity and develop the friendship between them and to maintain peace. Over the last 35 years, the two countries have extensively cooperated in the political, economic, cultural, scientific and technological, and other fields, and fruitful results have been achieved. We heartily wish that the Sino-Korean friendly and cooperative relations will continue to be strengthened and to develop, so they will make greater contributions to the two countries' socialist construction and to maintaining peace and stability in the Asia-Pacific region."

Kim Kwang-chin also spoke at the banquet. He said: "Over the last 35 years since the 'Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance' was signed, the two parties, governments, and peoples of the two countries have jointly withstood historical trials and have done a great deal to develop the Korean-Chinese friendship fostered by leaders of the two countries. The Korean people sincerely wish that China will have all its wishes and we wish the Chinese people, under the leadership of the CPC led by Comrade Jiang Zemin, will gain tremendous achievements in building socialism with Chinese characteristics."

**PRC: DPRK Armed Forces Minister Meets North Sea Fleet Commander***OW1407132396 Beijing XINHUA Domestic Service  
in Chinese 0852 GMT 12 Jul 96*

[By reporter Guo Quanyou (6753 0356 2589)]

[FBIS Translated Text] Pyongyang, 12 Jul (XINHUA) — Marshal Choe Kwang, minister of the DPRK People's Armed Forces, met here on 11 July with Vice Admiral Wang Jiying, commander of the Chinese People's Liberation Army's [PLA] North Sea Fleet, and his



party, who were on a visit here. He had a friendly conversation with the Chinese guests.

Choe Kwang said at the meeting that strengthening and developing the DPRK-China friendship is in line with the wishes of the people of the two countries, and will contribute to maintaining peace and stability in Asia.

He said, when the DPRK was hit by disasters last year, the Chinese Government and people promptly provided material assistance to the DPRK, and the Korean people will never forget this.

Wang Jiying expressed his thanks to Choe Kwang for holding a meeting with him and his party and for the DPRK's warm reception.

Those attending the meeting included Vice Marshal Cho Myong-nok, director of the General Political Bureau of the Korean People's Army; and Vice Marshal Kim Kwang-Chin, first vice minister of the DPRK People's Armed Forces. Chinese ambassador to the DPRK Qiao Zonghuai and military attache Major General Liu Jianhua also attended the meeting.

At the invitation of the DPRK's Ministry of People's Armed Forces, the formation of warships of the Chinese PLA Navy led by Vice Admiral Wang Jiying came to Pyongyang to take part in celebrating the 35th anniversary of the signing of the "Sino-Korean Treaty of Friendship, Cooperation, and Mutual Assistance" and for a goodwill visit to the DPRK. The formation of warships arrived in Nampo Port on the DPRK's west coast on the afternoon of 10 July.

The formation of warships will conclude its visit to the DPRK on 14 July and return to China.

#### **PRC: XINHUA Notes Anthony Lake's ROK Visit**

*OW1507101496 Beijing XINHUA in English  
0836 GMT 15 Jul 96*

[FBIS Transcribed Text] Seoul, July 15 (XINHUA) — U.S. National Security Advisor Anthony Lake discussed the Korean Peninsula issue with South Korean senior officials Sunday and urged Pyongyang to agree to a four-party talks.

Lake, who arrived here Sunday afternoon for a brief visit, said after his talks with South Korean Presidential Secretary for Foreign Affairs and National Security Yu Chong-ha that South Korea and the Democratic People's Republic of Korea (DPRK) should play a leading role in easing the tensions on the Korean peninsula and establishing a peace regime in the region.

Lake added that the U.S. will play a supplementary role on the issue.

The two sides discussed the proposal on four-party peace talks and called for an early DPRK response. The proposal, put forward last April by the United States and South Korea, was aimed at replacing the Korean armistice with a permanent peace regime. The four parties are the United States, South Korea, DPRK and China.

The DPRK has yet to make a formal response to the proposal.

Lake left for Japan last night to complete his Asian tour which had taken him to China, Thailand and Vietnam.

### **Southeast Asia & Pacific**

#### **PRC: Prosperity of Developing APEC Members Called 'Critical'**

*OW1107115596 Beijing XINHUA in English  
0729 GMT 11 Jul 96*

[FBIS Transcribed Text] Manila, July 11 (XINHUA) — The prosperity of the developing members of the Asia Pacific Economic Cooperation (APEC) forum is critical to the region's sustainable development, a Chinese delegate said at the APEC Ministerial Meeting on Sustainable Development that opened here today.

Ye Ruqiu, deputy administrator of China's National Environmental Protection Agency, called for full consideration of giving priorities to the growth of the developing members.

Describing economy disparities as a major obstacle to sustainable development, Ye said that the only solution is to boost economic prosperity and eliminate poverty in the developing APEC members.

"As they grow stronger, their capability of implementing sustainable development can be improved," he said.

He also called for the creation of favorable external conditions for the sustainable development of these APEC members.

China is "strongly against transferring pollution and dumping wastes to the developing members and using environmental issues to create new trade protectionism," Ye said.

He noted that sustainable development should be given priority in economic and technical cooperation.

"The Chinese government always regards sustainable development as a necessity and an important strategy for future development and has taken practical measures for its implementation," he said.

Ye urged all members of the region to participate in the efforts to promote the coordination and cooperation in environment and sustainable development.

**PRC: Lao Party Congratulates CPC's 75th Founding Anniversary**

*OW1107140496 Beijing XINHUA Domestic Service in Chinese 1620 GMT 3 Jul 96*

[FBIS Translated Text] Beijing, 3 Jul (XINHUA) — On 30 June, the Lao People's Revolutionary Party [LPRP] Central Committee sent a message of warm congratulations to the CPC Central Committee on the 75th anniversary of the CPC's founding. The text of the congratulatory message reads as follows:

Beijing

The CPC Central Committee:

On the occasion of the 75th anniversary of the CPC's founding, we, on behalf of the LPRP and the people of all Lao nationalities, would like to give our comradely regards and sincerest congratulation to the CPC Central Committee, all CPC members, and the brotherly Chinese people.

Since its founding, the CPC has led the Chinese people in the struggle of extreme hardships and difficulties and has scored brilliant victories constantly. The PRC's founding ushered in a new era in which the Chinese people became the true masters forging ahead along the socialist road. In the past 20 years, the CPC, while sticking to Marxism-Leninism and Mao Zedong Thought, led the Chinese people in implementing the line of reform and opening up and building socialism with Chinese characteristics as advocated by Comrade Deng Xiaoping. As a result, a series of great achievements have been scored, its national economy has developed rapidly, its people's material and cultural levels have been improved constantly, and China has played a more and more influential role in the international arena. All these great achievements has not only proved how brilliant and firm the CPC leadership is, but has also displayed the socialist system's vitality. The PRC's dynamic growth is the greatest contribution to regional and world peace, stability, development, and cooperation.

The LPRP and the people of all Lao nationalities extend warm congratulations to the great achievements scored by the brotherly Chinese people.

We are glad to see that for decades, our two parties have maintained close ties, sincerely supported and helped each other, and made constant progress in furthering the long-standing friendly ties between the two peoples, achieving great successes. We set a high value on this.

At this happy moment, we, on behalf of the LPRP, the Lao People's Democratic Republic Government, and the people of all Lao nationalities, would like to express our heartfelt thanks to the Chinese party and Government and the brotherly Chinese people for giving precious assistance to our revolutionary cause.

We wish that the brotherly Chinese people will constantly score great achievements in implementing the Ninth Five-Year Plan and the Long-Term Target for 2010 and in the undertaking of building a prosperous and modernized socialist China under CPC leadership with General Secretary Jiang Zemin at the core.

We wish for constant consolidation and development of the traditional friendship and closely knit and all-round cooperative ties between our two parties, our two countries, and our two peoples.

The LPRP Central Committee

**PRC: Jiang Zemin Congratulates General Secretary Do Muoi**

*BK1207093896 Beijing China Radio International in Vietnamese 1100 GMT 2 Jul 96*

[FBIS Translated Text] A correspondent of our radio station informs that on 1 July, Communist Party of China Secretary General Jiang Zemin sent a cable congratulating Comrade Do Muoi on his reelection as General Secretary of the Communist Party of Vietnam [CPV] Central Executive Committee. The congratulatory cable states: Since the Seventh Party Congress of the CPV, Vietnam's comprehensive renovation undertaking and construction of socialism has progressed dynamically. With efforts from both sides, the Chinese-Vietnamese friendly relations have been further consolidated and strengthened, and are moving to a new development stage.

In his congratulatory cable, President Jiang Zemin expressed his belief that Vietnam's socialism construction will continue to develop, and the traditional friendship between the two parties, countries, and people of China and Vietnam will never cease to be consolidated and strengthened.

**Near East & South Asia**

**PRC: Military Goodwill Delegation Visits India 3-10 Jul**

*OW1407095196 Beijing XINHUA Domestic Service in Chinese 1110 GMT 10 Jul 96*

[Names of Indian military officials are transliterated]

[FBIS Translated Text] New Delhi, 10 Jul (XINHUA) — A goodwill delegation of the Chinese People's Liberation Army led by General Zhang Taiheng, commander

of the Jinan Military Region, visited India from 3 to 10 July.

General Joduli, chief of staff of the Indian Army, met with the delegation during its stay in India. He expressed the hope that India and China would maintain and develop the friendly relations between the two countries and militaries.

Vice Admiral Kohli, acting chief of staff of the Indian Navy; and Lieutenant General Osman, acting chief of staff of the Indian Air Force, also separately met and had friendly conversations with the delegation.

The delegation visited New Delhi, Agra, Pune, and Bombay, as well as a few military installations and academies.

**PRC: Kuwait Provides Loan for Irrigation Project**

OW1207111096 Beijing XINHUA in English  
0949 GMT 12 Jul 96

[FBIS Transcribed Text] Yinchuan, July 12 (XINHUA) — Kuwait will give a loan of 33.3 million US dollars to China for the construction of a large irrigation project in northwest China's Ningxia Hui Autonomous Region.

This is the largest sum of investment provided by the government of Kuwait to China.

The loan will be used to build waterworks, a power supply system, and telecommunication facilities, and for the re-settlement of local residents.

The project will divert water from the Yellow River, China's second largest, to irrigate arid fields in Ningxia. Upon completion of the work in 2001, 133,000 ha of land will become irrigable and benefit about one million poverty-stricken people. The first phase of construction started in May.

A draft agreement on the loan was signed yesterday in Yinchuan, capital of Ningxia.

**West Europe**

**PRC: Spokesman Warns Relations To Suffer Over Dalai's UK Visit**

OW1507101196 Hong Kong AFP in English  
0953 GMT 15 Jul 96

[FBIS Transcribed Text] Beijing, July 15 (AFP) — China warned Monday that a scheduled address to the British parliament by Tibet's exiled spiritual leader, the Dalai Lama, would damage Sino-British relations.

"By inviting the Dalai Lama to Britain and offering him a forum, the (All Party Parliamentary Group For Tibet) supports and abets the Dalai's splittist activities on British territory," a Foreign Ministry spokesman said.

"We have made solemn representations with the British side, and this will have an adverse affect on the Sino-British relationship," he warned, ahead of the Dalai Lama's July 16 address to some 200 MPs (members of parliament) at London's House of Commons.

The British Embassy in Beijing confirmed that China had already made protestations over the Dalai Lama's one-week visit, which was due to start on July 15.

"Tibet is an inalienable part of Chinese territory and Tibet affairs are purely China's internal affairs which brook no interference by any foreign governments, organisations or individuals," the spokesman warned.

Beijing's sensitivity over the Tibet issue was highlighted last month by the upheaval in Sino-German relations that followed the adoption by the Bundestag of a resolution criticizing China's policy in Tibet.

In retaliation, China cancelled a planned visit by German Foreign Minister Klaus Kinkel.

Sino-British relations have been strained for more than two years over the handover of Hong Kong on July 1, 1997, but appear to have improved in recent months, with both sides calling for dialogue and strengthened cooperation in the territory.

**PRC: Henan Governor, Delegation Visit Denmark, Britain**

SK1007022296 Zhengzhou HENAN RIBAO  
in Chinese 26 Jun 96 p 1

[FBIS Translated Text] At the invitation of the British Foreign and Commonwealth Affairs Ministry and Denmark's Agriculture and Fisheries Ministry, the Henan Provincial Government Delegation, headed by Governor Ma Zhongchen, departed Beijing on 25 June for visits to Denmark and Britain. Delegation members included Lu Maosheng, secretary general of the provincial government; Cai Liuhai, director of the provincial Foreign Affairs Office, Yang Xianming, chairman of the provincial planning commission; Jia Lianchao, chairman of the provincial Economic and Commercial Commission, and Jiao Jinhu, director of the provincial Foreign Relations and Trade Department.

With the continuous expansion of opening up, the Henan Province, as an inland province, is increasing the momentum for reform and opening up, and implementing the strategy of opening up to promote other sectors. Economic development is enhanced. In recent years, all countries in the European Union (EU) have had some economic, technological, and commercial cooperation with Henan, but all cooperation is still in the primary stage. Taking this as a key point of opening up, Henan



has strengthened exchanges with EU countries since last year. Last December, the provincial government held an "economic and commercial exchange fair between Henan Province and EU countries," introducing Henan Province to EU countries and publicizing some economic and technological cooperation projects. Some EU countries' embassies in China, large-scale companies, and large-scale syndicates yielded some interests in Henan. After that, people in the industrial and commercial fields in EU countries continued to keep in touch with Henan and promoted cooperation and exchanges. Early this year, the provincial government drew up the idea of 1996 being "the year of Europe" for our opening-up drive, aiming to further upgrade the impetus toward opening up and expand the cooperation field.

The visits of Governor Ma Zhongchen and the delegation he leads to Denmark and Britain are one important activity in developing the "year of Europe" drive, and they also are significant in terms of implementing the strategy of opening up. The delegation will meet with people in political, industrial, and commercial fields in Britain and Denmark, exploring new channels for cooperation and expanding cooperative fields. In Britain and Denmark, the delegation will hold meetings explaining the situation in Henan, and will announce some economic and commercial cooperative projects; introduce Henan's long history, outstanding location, and rich natural resources; and publicize Henan's reform and opening up results and good investment environment. Thus, we can let more foreign friends better understand Henan and come to invest or tour. During the visits, some people from industrial and commercial fields in Henan who are following the delegation will talk with their British and Danish counterparts about cooperative projects.

Prior to the delegation's departure, Governor Ma Zhongchen paid visits to the British Ambassador to China, Mr. Appleyard, and the Danish Ambassador to China, Mr. William Friis-Moeller, on 24 June. They exchanged opinions on further cooperation and exchanges.

**PRC: Secretary-Led Hebei Delegation Returns From European Visit**

*SK0807143096 Shijiazhuang HEBEI RIBAO  
in Chinese 19 Jun 96 p 1*

[FBIS Translated Text] After satisfactorily winding up its 15-day official visit to Finland and Germany, as well as its transit visit to Leningrad in Russia, the Hebei economic cooperation delegation headed by Cheng Weigao, secretary of the provincial party committee, returned home recently.

During his visit from 3 to 17 June, Cheng Weigao called on the PRC Embassies stationed in Finland, Germany, and Russia as well as on the consulates-general stationed in Hamburg and Saint Petersburg. He also profoundly contacted, conferred, and talked with some large enterprises and corporations in Germany, including BASF, Bayer, Mannesman, and Bagok [as transliterated], and with scores of small and medium enterprises. During this period, the delegation made public a number of projects, of which seven had their contracts signed and 23 reached an intention to invest or cooperate. According to the statistics of the contracts and projects already signed, the total investment is 1.116 billion yuan, including \$89.74 million in foreign capital. These projects include the project by the Chengde Instrument Plant to utilize \$3.4 million in Finnish Government loans to import sewage treatment equipment produced by the Finland McEntire [as transliterated] Corporation; the project by Guangping County's Guangda Furniture Corporation to utilize \$5.15 million in loans from the North European Investment Bank to import compound-wood floor board production equipment produced by the Finland Lott [as transliterated] Corporation; the joint investment project of the Huayao Shareholding Limited Corporation and the German BASF Corporation to produce Vb12 [expansion unknown]; the joint venture project between the Tangshan Boiler Plant and the German Bagok [as transliterated] Corporation; and the joint venture project between the Zhangjiakou Metallurgical and Oxygen Manufacturing Machine Spare Parts Plant and the German Bakdoir [as transliterated] Corporation. The delegation also discussed with the responsible persons of the Bayer Corporation jointly producing high-efficient pesticides, achieving a common understanding. At the same time, a number of export contracts were signed.

Before the current visit, Cheng Weigao definitely called for changing the past method of absorbing foreign investment and for changing the way of rushing headlong into publishing projects. To help the successful signing of some projects, the departments concerned were organized to do a lot of pre-phase preparatory work. To expand their influence and to strive for practical results, the province organized machinery and electronics, metallurgical, chemical industrial, light industrial, building materials, and foreign trade branch delegations in addition to the main delegation. Centering on signing contracts and discussing projects, these branch delegations separately conducted their work. The main delegation participated in the major investment-absorbing activities held by the branch delegations. After the main delegation departed, branch delegations stayed to further attend to negotiations and follow-up work. On 6 June, Vice Premier Zou Jiahua, who was paying a visit to

Finland, participated in the signing ceremony for the Chengde and Guangping projects, thus expanding the influence of the foreign investment-absorbing activities.

Through the current visit, much publicity was given to Hebei, the province's markets in Northern and Western Europe were expanded, and the progress of negotiations for some projects was accelerated. At the summing-up meeting on the visit, Cheng Weigao pointed out: European enterprises eagerly look forward to cooperating with Hebei's enterprises. Thus, we should seize this opportunity to positively strengthen cooperation between our enterprises and European enterprises. He stressed: To keep abreast of changes in the situation, we should change the investment-absorbing method from comprehensive publishing projects to absorbing investment by

respective professions and trades, and changing from propagating ourselves in generalities to purposefully visiting large customers and holding talks in a well-prepared manner in an effort to improve the practical results in absorbing foreign investment and in pushing the province's opening up to new heights.

On the journey back from his official visit to Finland and Germany, Cheng Weigao visited Leningrad in transit. There he conferred and talked with the Leningrad Government on matters of strengthening the friendly relations between Hebei and Leningrad and on promoting economic cooperation between ours and Russian enterprises, yielding good results.

**Political & Social****PRC: Deng Death Rumor Resurfaces; Daughter Said To Delay Trip***OW1307093296 Hong Kong PING GUO JIH PAO in Chinese 13 Jul 96 p a14*

[Article by staff reporter: "Rumor of Deng Xiaoping's Death Spreads From Shanghai Stock Market Again; Beijing Gives Implicit Answer to Inquiry; Deng Nan Postpones This Month's Overseas Visit"]

[FBIS Translated Text] The health of Deng Xiaoping, senior member of the CPC who will turn 92 on 22 August, has come under the spotlight again. News about Deng Xiaoping's death spread from the Shanghai Stock Market yesterday, but Beijing officials refused to give a clear answer to the inquiry. Sources of this newspaper indicated that his health had worsened recently and his second daughter Deng Nan's overseas visit scheduled for July is postponed to September.

The news about Deng Xiaoping's death was heard soon after the opening of the stock market in Shanghai yesterday morning and the index of Shanghai stocks responded with a drop of 13.2 points. According to the AFP news from Beijing, the news about Deng Xiaoping's death came from China observers in Hong Kong, but the news did not affect the Shanghai stocks long, and the market closed with the stock index at 796.41 points, up 0.5 percent from the previous day.

**Shenzhen Stock Market Not Affected**

The Shenzhen Stock Market was totally unaffected by the news yesterday, and the stock index closed at 2,323.9 points, up 106.4 points.

A reporter of this newspaper placed a long-distance phone call to the Chinese Ministry of Foreign Affairs yesterday afternoon and inquired about Deng Xiaoping's death. A Foreign Ministry spokesman replied that they are not responsible for answering this question, which should be raised with the State Council Information Office.

An official at the State Council Information Office, however, still gave an "implicit reply." He said they had received many phone calls asking the same question. He then said that they had not received any relevant news.

**Deng's Health Said To Have Worsened Once**

According to sources of this newspaper in Beijing, the news about Deng Xiaoping's death was, in fact, circulated in Beijing two days ago, and it is believed that this is the source of the rumor from the Shanghai Stock Market.

The sources also indicated that Deng Xiaoping's health had worsened once and his second daughter Deng Nan had postponed her overseas visit from July to September.

Ordinary medical experts are of the opinion that Deng Xiaoping may pass away at any time at this advanced age and in his present physical condition. Should they awake to the radio or TV news of Deng Xiaoping's death, they would not be surprised at all.

Sources also indicated that the latest developments in the political situation in Beijing actually have clearly disclosed the deterioration in Deng Xiaoping's health. Among these developments, two are the most conspicuous: 1) Jiang Zemin's intensified propaganda on "attaching importance to politics" and his demand that cadres at all levels absolutely obey the central authorities. 2) the extension of the "strike hard" struggle, and the launch of the third wave of action. The demand on cadres at all levels to absolutely obey the central authorities is meant to maintain "political stability," whereas the extension of the "strike hard" struggle and fierce crackdown on all kinds of criminal activities are meant to maintain "social stability." Deng Xiaoping's poor health is the general background for the call for these two kinds of stability.

**The White House Criticizes the Exaggeration of Rumor**

In addition, the sources have revealed: High-ranking officials in Beijing have decided to follow the method of news release on the death of Zhou Enlai and Mao Zedong in announcing Deng Xiaoping's death, and will avoid releasing the news until more than 24 hours after the death, as in the case of Chen Yun.

High-ranking officials maintain that it is impossible to conceal the news; the earlier it is released, the less its negative impact; the later it is released, the greater the shock to society, and particularly to the stock markets in Hong Kong, Shanghai, and Shenzhen.

White House Spokesman McCurry said yesterday that the rumor about Deng Xiaoping's death was overexaggerated.

He said: The rumor about Deng's death comes every three to four months. The White House has tried to verify the rumor, but has failed in every attempt.

**PRC: Report on Leaders' Activities 5-10 Jul***OW1207113396*

[FBIS Report] PRC media monitored by Okinawa Bureau from 5 July to 10 July carried the following reports on PRC central leadership activities. The source



is noted in parentheses after each report. **Li Guixian Sends Postgraduate Students off to Rural Areas**—The Ministry of Civil Affairs, Beijing University, Chinese People's University, Qinghua University, Beijing Teachers' University, and other institutions organized activities for some 200 postgraduate students to conduct economic, political, social, and cultural studies in rural areas during the summer vacation and make suggestions for rural development. At a ceremony at Beijing University on 5 July to send the students off, State Councillor Li Guixian expressed the hope that through these activities, more young intellectuals and students will work together with peasants toward the 21st century. (Summary) (Beijing Central People's Radio Network in Mandarin 2230 GMT 5 Jul 96) **Song Jian Inspects Shandong's Maritime Work**—When inspecting work in Shandong recently, State Councillor Song Jian pointed out that it is of major strategic significance to develop maritime resources, and that governments at all levels should strengthen scientific and technological study, accelerate training of scientific and technological personnel, and vigorously develop maritime resources. (Summary) (Beijing Central People's Radio Network in Mandarin 2230 GMT 5 Jul 96) **Zou Jiahua Views Communication Networking Technology Exposition**—Zou Jiahua, vice premier and member of the CPC Central Committee [CPCCC] Political Bureau, visited the "1996 International Exposition on Data Communication Networking Technology and Application" at the Beijing International Conference Center on 4 July. Zou Jiahua said: As information is playing an increasingly prominent role in national economic development, world information technology and information industry, particularly data information communication networking technology, has developed with great speed. Through holding expositions, we can promote exchanges, expand cooperation, and forge joint ventures to promote faster development for China's data information communication networking technology and better serve its sustained, rapid, and healthy national economic development. (Summary) (Beijing XINHUA Domestic Service in Chinese 0853 GMT 5 Jul 96) **Wu Bangguo Inspects Henan's State Enterprises**—While inspecting enterprises, science institutions, high and new technology development zones, and village and town enterprises in Henan Province from 28 June to 5 July, Wu Bangguo, vice premier and member of the CPC Central Committee Political Bureau, stressed: It is necessary to earnestly study and profoundly understand the guidelines of General Secretary Jiang Zemin's important speeches at two previous discussion meetings on enterprise reform and development, emancipate the mind, explore boldly, strengthen confidence, further accelerate the pace of state enterprise reform, actively pro-

mote two fundamental shifts, and realistically raise economic growth, quality, and efficiency. Wu Bangguo was accompanied by Henan Provincial Party Secretary Li Changchun, Deputy Secretary Fang Qinchun, and Vice Governor Yu Jiahua. He also heard work reports of the Henan provincial party committee and Henan government. (Summary) (Beijing XINHUA Domestic Service in Chinese 0923 GMT 5 Jul 96) **Wei Jianxing Attends Meeting on Labor Law Implementation**—The Ministry of Labor, the State Economic and Trade Commission, and All-China Federation of Trade Unions jointly held a three-day meeting to exchange experiences on implementation of the "Labor Law," which ended on 5 July. Wei Jianxing, member of the CPCCC Political Bureau and the CPCCC Secretariat and president of the All-China Federation of Trade Unions; and Ni Zhifu, vice chairman of the National People's Congress [NPC] Standing Committee, attended the meeting. Ni Zhifu spoke on the aim of the law and Labor Minister Li Boyong reviewed its implementation in the past two years. (Summary) (Beijing XINHUA Domestic Service in Chinese 1143 GMT 5 Jul 96) **Li Tieying Bids Farewell to Chinese Olympic Team**—Li Tieying, state councillor and member of the CPCCC Political Bureau, bid farewell to the Chinese sports delegation participating in the 26th Olympic Games on 5 July at the Great Hall of the People. Li Tieying expressed sincere greetings and good wishes for the delegation on behalf of the party Central Committee and the State Council. He asked the delegation to rouse their spirit, reflect the style of a large country, and make the world better understand the Chinese people and the socialist China that is undertaking the path of reform and opening up. (Summary) (Beijing XINHUA Domestic Service in Chinese 1213 GMT 5 Jul 96) **Liu Huaqing Writes Preface for Book on Warships**—China's first series of books on the knowledge of modern warships, "A Knowledge of Modern Warships Series," was recently published and distributed by the People's Publishing House. Liu Huaqing, member of the CPCCC Political Bureau Standing Committee and vice chairman of the Central Military Commission, wrote the preface for the series. In the preface, Liu Huaqing said that for the Chinese people's long-term interests and for the peace of mankind, China must enhance the people's awareness of the ocean and national defense, vigorously develop maritime undertakings, and establish a powerful and modern navy. The series consists of 10 books written by navy experts, professors, and researchers. It gives a complete introduction to the knowledge of warship fundamentals, aircraft carriers, conventional submarines, nuclear submarines, cruisers, destroyers, escort vessels, submarine chasers, mine sweepers, and speedboats. In addition, a large number of color pictures have



been included in the books. (Summary) (Beijing XINHUA Domestic Service in Chinese 0320 GMT 6 Jul 96) **Wang Hanbin, Peng Peiyun Attend Commemorative Meeting for Poet**— Some 100 family members, friends, comrades-in-arm, and former colleagues of Wen Yiduo, well-known revolutionary, poet, and scholar, gathered at Beijing University on 6 July to commemorate his 50th death anniversary. NPC Vice Chairman Wang Hanbin and State Councillor Peng Peiyun attended the discussion meeting. (Summary) (Beijing XINHUA Domestic Service in Chinese 0726 GMT 6 Jul 96) **Qiao Shi, Zhu Rongji, Hu Jintao, Liu Huaqing Mourn Wang Guangwei**— Wang Guangwei, former vice minister of the State Planning Commission, died of illness on 4 June in Beijing. He was 82. Qiao Shi, Zhu Rongji, Hu Jintao, Liu Huaqing, Wan Li, Song Ping, Bo Yibo, Chen Muhua, Wang Bingqian, Chen Junsheng, Gu Mu, and other comrades expressed their condolences in different ways to the family members after his death. (Summary) (Beijing XINHUA Domestic Service in Chinese 1253 GMT 9 Jul 96) **Jiang Zemin, Li Peng, Qiao Shi Mourn Li Senmao**— Li Senmao, former minister of railway, died of an illness in Beijing on 18 June, and his remains were cremated on 10 July. After his death, Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Peng Zhen, Zhu Rongji, Ding Guangen, Tian Jiyun, Li Lanqing, Wu Bangguo, Zou Jiahua, Qian Qichen, Wei Jianxing, Wan Li, Song Ping, Chi Haotian, Chen Muhua, Li Ximing, Tomur Dawamat, Chen Junsheng, Luo Gan, Wu Xueqian, and Wang Zhaoguo expressed their condolences to the family members in various ways. (Summary) (Beijing XINHUA Domestic Service in Chinese 1106 GMT 10 Jul 96) **Jiang Chunyun Hears Briefings on Zhejiang Flood Situation**— A Zhejiang delegation led by Deputy Party Secretary Cai Songyue visited Beijing to brief central leaders on Zhejiang flood situation. Vice Premier Jiang Chunyun met the delegation on 9 July and gave important directives on flood disaster relief tasks. (Summary) (Hangzhou Zhejiang People's Radio Network in Mandarin 1000 10 Jul 96) **Huang Ju Meets U.S. Pharmaceutical Company President**— Shanghai Municipal Party Secretary Huang Ju met with Charles Heimbold, president of U.S. Bristol-Meyers Squibb Co., and his company on 10 July. During the meeting, Huang Ju gave a briefing to the guests on development of Shanghai's pharmaceutical industry. (Summary) (Shanghai People's Radio Network in Mandarin 2300 10 Jul 96) **Peng Peiyun Attends World Population Day Activities**— The State Family Planning Commission held a meeting on 11 July in Beijing to mark World Population Day. In her speech, State Councillor Peng Peiyun called for strengthening family planning and popularizing AIDS prevention knowledge among the people. (Summary) (Beijing Central Televi-

sion Program One Network in Mandarin 1100 GMT 11 Jul 96)

### **PRC: China Refuses Chiang Kai-Shek's Reburial on Mainland**

*HK1507072896 Hong Kong HONGKONG  
STANDARD in English 15 Jul 96 p 6*

[By Pamela Pun]

[PTS Transcribed Text for FBIS] Beijing yesterday turned down a request by the family of former Taiwanese leader Chiang Kai-shek to allow them to give him a formal burial on the mainland.

Officials said the timing was "not appropriate".

The family of Chiang's successor, Chiang Ching-kuo, have also been denied permission to take his embalmed body to China.

Beijing is expected to welcome Chiang Wego, Chiang Kai-shek's son, and Chiang Hsiao-yung, Chiang Ching-kuo's son, who are scheduled to visit China on Saturday for "medical care".

Chiang Wego raised the idea of returning his father's body to the mainland at a meeting of Taiwan's ruling Kuomintang.

"Personally speaking, it is not an appropriate time to talk about it," Tang Shubei, deputy director of the Taiwan Affairs Office of the State Council, said.

Mr Tang, also deputy chairman of Beijing's semi-official cross-strait negotiation body, the Association for Relations Across the Taiwan Straits, hinted that negotiations could not begin until political reunification of the island and the mainland.

In 1982, Chinese officials said Chiang Kai-shek's remains could be moved to Nanjing, or his native Fenghua when Taiwan and China were reunified.

The report said Chiang's families wished Chiang Kai-shek be buried in Nanjing, the former capital of his government, and his son buried in Fenghua.

Mainland analysts cast doubts on the real political purposes behind the burial move, saying a peaceful ties [as published] across the Taiwan Strait was crucial to solving the problem. "It is closely related to the complicated cross-strait ties and the complicated political situation in Taiwan at present," Fan Xizhou, director of the Taiwan Issue Research Institute of Xiamen University said yesterday.

Mr Fan said the families had political motives which Beijing would not want to get mixed up in.

But he said it was not yet clear what the political motives of the Chiang families were.

Chiang Kai-shek's wife, now living in the United States, and Chiang Fang-liang, wife of Chiang King-kuo have not yet given their views on moving their late husbands' remains.

**PRC: Hu Jintao Calls For Training High-quality Cadres**

OW1207140296 Beijing XINHUA in English  
1327 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — Senior party official Hu Jintao has urged the training of more outstanding young cadres, and called for a relentless punishment when malpractice is discovered.

Hu Jintao, member of the Standing Committee of the Politburo of the Communist Party of China (CPC) Central Committee and member of the Secretariat, made the call at a national meeting of organization department heads, which closed today in Beijing.

The meeting, organized by the Organization Department of the CPC Central Committee, was arranged mainly to study Party General Secretary Jiang Zemin's recent speech on the building of a high-quality rank of cadres, and measures on how to strengthen the training of leaders.

Hu demanded that party and government leaders at all levels must take the lead in studying Jiang's speech, improve their understanding of the issues, and fully understand the extreme importance and imperativeness of building a high-quality cadre rank.

He noted that the training and selection of outstanding young cadres is crucial work, and party committees at all levels must carry out down-to-earth work to succeed in the work.

He emphasized that the organization departments must adhere to the correct direction in selecting and using cadres, and any malpractice must be relentlessly punished.

Officials in charge of personnel affairs from around the country attended the four-day meeting.

**PRC: Jiang Zemin, Officials Attend Artillery Corps Anniversary**

OW1207153196 Beijing XINHUA in English  
1511 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — President Jiang Zemin attended an evening party in Beijing today in commemoration of the 30th anniversary of the founding of China's Second Artillery Corp.

Jiang is also General Secretary of the Central Committee of the Chinese Communist Party (CPC) and Chairman of the Central Military Commission (CMC).

Also present at the party were Liu Huaqing, member of the Standing Committee of the CPC Central Committee and CMC Vice-Chairman, as well as CMC vice-chairmen Zhang Zhen, Zhang Wannian and Chi Hao-tian.

The Second Artillery Corps was founded on July 1, 1966 under the direct leadership of many senior Chinese leaders, including late Chairman Mao Zedong, late Premier Zhou Enlai and Deng Xiaoping.

**PRC: Beijing Imposes Restrictions on Coverage of Olympic Games**

HK1507082996 Hong Kong MING PAO in Chinese  
13 Jul 96 p A9

[Report by special correspondent Szu Min (2448 3046): "Beijing Imposes Restrictions on Coverage of Olympic Games"]

[PTS Translated Text for FBIS] As the opening of the Atlanta Olympic Games draws near, the department concerned in China has demanded that reporters meet the coverage requirements and warned that "there are 'anti-China forces' in the international community trying to 'make an issue' of 'Taiwan independence,' the use of stimulants, and other questions in a bid to form public opinion 'unfavorable' to China.

According to a Beijing source, the National Sports Committee has held three meetings aimed at the coverage of the Olympic Games.

On the eve of the Olympic Games, the sports newspapers published certain reports. The deputy editor-in-chief of the XINWEN TIYU BAO [Xinwen Sports News] was banned from covering the Olympic Games and was dismissed for publishing the "Ten Questions on Chinese Football." The author of the article was also "sacked." Guangzhou's YANGCHENG TIYU BAO [Yangcheng Sports News], also came under fire for reprinting both the article and Shanghai's views on the author's dismissal, as well as for publishing the complaints from Xu Yiming, the coach of the national swimming team, about the selection of athletes for the Olympic Games.

The special correspondents' meeting convened by the National Sports Committee stressed publicity given to the Olympic Games. While emphasizing "unity, encouragement, stability, and the promotion of patriotic spirit," the meeting demanded that reporters "keep the initiative in our own hands, seeking truth from facts, give moderate publicity, and offer correct guidance." It also warned

the reporters not to publicize China's weaknesses. Instead, they should give moderate publicity to Ma Jiajun and athletes of other countries, and should focus their reports on tough training, all countries' preparations, Chinese athletes' performance, and the friendship between the athletes of Hong Kong, Taiwan, and the mainland. Meanwhile, they should not overestimate Chinese athletes' ability to win gold medals.

Given that restrictions are imposed on news reports, the mainland media are not enthusiastic about the coverage of this year's Olympic Games and are too quiet compared with their publicity given to the Barcelona Olympic Games in 1992.

The mainland newspapers have devoted far fewer pages than before to special reports on this magnificent sports meet.

**PRC: 2,109 Students Graduate From 'CPC Party School'**

OW1207144296 Beijing XINHUA in English  
1252 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — Hu Jintao, a top leader in the Chinese Communist Party, issued diplomas to 2,109 graduates of the CPC Party School in Beijing today.

After the graduation ceremony, Hu, a standing Committee member of the Political Bureau of the Party Central Committee, visited students from a training course for young and middle-aged officials.

He encouraged the students to apply what they had learned in the Party School to practice and do their work even better.

He said, "Young officials must be strict with themselves, correctly handle fame, personal interests, power and position. All of us must do everything in the interests of the cause of the Party and the people."

**PRC: 'Public Prosecutor's Society of China' Founded 12 Jul**

OW1207144696 Beijing XINHUA in English  
1201 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — The Public Prosecutor's Society of China (PPSC), a large-scale organization of public prosecutors who operate under the guidelines of the China Institute of Procuratorial Work Studies, was founded in Beijing today.

Zhang Siqing, procurator-general of the Supreme People's Procuratorate (SPP), was elected president.

The new name and restructuring of the organization is intended to make the group compatible with similar international organizations, and also to enable the PPSC to enter an international organization for public prosecutors.

The creation of the PPSC "is in the interests of wider scope of cooperation and exchanges between Chinese prosecutors and their foreign colleagues," Zhang said at the founding ceremony today.

Other objectives of the society include: Promoting exchanges in information and studies of procuratorial work; upgrading public prosecutors' proficiency levels and their awareness of work ethics; and protecting their legitimate rights and interests.

Zhang said this society should be built into a social organization that truly represents the interests of prosecutors and has considerable international influence.

He said the society should work for the betterment of procuratorial work, for China's reform and opening up to the outside world, and for the rapid and healthy economic development of the country.

**PRC: Wang Bingqian Requests Environmental Protection Legislation**

OW1207135196 Beijing XINHUA in English  
1301 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — A senior official of the National People's Congress, China's top legislature, has called for speedier drafting of environmental protection laws.

Wang Bingqian, vice-chairman of the NPC Standing Committee, said in an article in today's People's Daily that the nation's environmental problems are serious, urban pollution problems are getting worse, and that pollution has begun to spread to rural areas. These must be solved by more environmental protection laws, he noted.

He added that the reduction in the amount of cultivated land, the destruction of forests, degeneration of prairies, shortage of water resources, and lack of mineral reserves are becoming worse in China. He pointed out that if these problems are not solved, they will threaten people's lives and hinder the country's future economic development.

Wang emphasized that environmental protection laws should lay equal stress on prevention, control of pollution, and protection of natural resources, and urged the drafting of a general law that could be the basis for other more specialized laws.



He also called for drafting of specialized laws that deal with the nation's economy and people's daily lives, such as those controlling noise pollution, radioactive wastes, toxic chemicals.

Local environmental protection regulations are an important part of setting up the country's legal system, Wang said, calling for formulation of laws that help fulfill obligations in international environmental conventions.

China has joined more than 20 environmental conventions.

It is reported that a national conference is to be held in Beijing From July 15 to 17 on environmental protection.

**PRC: Beijing To Authenticate Environmental Protection Standards**

*OW1207135596 Beijing XINHUA in English*  
*1238 GMT 12 Jul 96*

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — China plans to establish a State Guidance Committee for Environment Management Authentication in an effort to introduce official standards for environmental protection.

Xie Zhenhua, director of the National Environmental Protection Agency (NEPA), said the move is an effort to "conform to international trends and improve environment management and sustain social and economic development."

In 1993, the International Standardization Organization (ISO) set up the Environment Management Technology Committee to regulate the influence of environmental protection within enterprises and institutions, and their production and services, by establishing international standards of operation (ISO 14000), the director said.

"China will turn the ISO 14000 into the country's national standards for environment management in an opportune time," Xie said.

Speaking at a press conference jointly held by NEPA and The State Technological Supervision Bureau (STSB), Xie said implementation of the standards will help save energy, reduce materials, and encourage clean and cost-efficient production. These efforts will reduce waste discharged from the production and also help cut back on hazardous pollution problems, he said.

Li Chuanqing, STSB director, said the standards will exert positive effects on economic development, technological exchange and trade throughout the world.

**PRC: Rules Issued on Recruitment of Foreign Teachers**

*OW1207021196 Beijing ZHONGGUO XINWEN SHE*  
*in English 1235 GMT 11 Jul 96*

[FBIS Transcribed Text] Beijing, July 11 (CNS) — The State Education Commission and State Bureau of Foreign Experts Affairs have today jointly issued a new set of regulations on the recruitment of overseas professionals to work in mainland schools and universities.

The regulations detail criteria for recruitment justification, eligibility to recruit expatriates, the necessary application procedures, vetting and approving procedures, plus penalties against any violations.

For example, schools and other educational bodies that provide pre-school education (kindergartens) and the 9-year compulsory education facilities (primary and secondary schools) are not allowed in principle to recruit foreign professionals. Exceptions will however be considered in the cases of foreign language institutions, schools founded with sister-city agreements and model schools set up to carry out tests and therefore have the genuine need to employ expatriates to teach foreign languages.

The strict restrictions are understood to deter schools from charging exorbitant tuition fees and profiteering from the recruitment of expatriates.

Xu Zhenyuan, deputy director of State Bureau of Foreign Experts Affairs said: "The new regulations, which are the product of the Bureau's years of experience, are part of the effort to rationalise and standardise all the existing rules governing expatriates working in China."

Approximately 14,000 foreign professionals and teachers from 54 countries worked in China's educational institutions in 1995 - more than twenty-times the number in 1980.

**PRC: Power Industrial Minister Inspects Shaanxi 14-15 Jun**

*SK0907011896 Xian SHAANXI RIBAO in Chinese*  
*16 Jun 96 p 1*

[FBIS Translated Text] From 14 to 15 June despite the intense heat of summer, Shi Dazhen, minister of power industry, together with pertinent responsible comrades, made an inspection tour of Shaanxi Province and studied the difficulties and problems in the province's power production and construction together with provincial leaders Cheng Andong and Pan Liansheng.

On the morning of 14 June, as soon as they alighted from the train, Shi Dazhen and his entourage, without stopping for a rest, headed directly for Weihe Power

Plant to acquire detailed knowledge of its production situation.

That very afternoon, at the office of the provincial government, Governor Cheng Andong and Vice Governor Pan Liansheng briefed Shi Dazhen and his entourage on the production, construction, and problems in the province's power industry and on the problems that were expected to be resolved with the help of the minister. In the briefing, Governor Cheng Andong said: Power shortage has seriously affected the province's agricultural production and people's livelihood. We hope that the state will incorporate Shaanxi into the national plan on building power industrial bases and will build power facilities in the province with joint investment. Cheng Andong also expressed that Shaanxi was willing to take an active part in exploiting Huang He power resources and hoped to simultaneously exploit the power resources along Han Jiang. Then, Minister Shi Dazhen offered the solutions to the issue that the province expected the state to rapidly approve the procedures concerning the transfer of the stock rights of the new Weihe Power Plant and the issues of accelerating the exploitation of the trunk stream on the upper reaches of Han Jiang, raising funds for building power facilities, suggesting the state increase its investment in power construction in central and west regions, and straightening out Shaanxi's power management system. Shi Dazhen pointed out: Shaanxi is very rich in power resources. Now that the state is encouraging the building of power facilities, it will make investment in all the power construction projects on the upper reaches of the Huang He. We should conduct an appraisal of and comparison between the benefits of the projects on the upper reaches of Huang He and the projects along Han Jiang and then build the projects with better benefits first. We should arrange the order of projects based on their benefits and then build them according to that order. Shaanxi's unreasonable power industrial structure has too few thermal power plants and is thus greatly restricted in water resources. Fund shortage is the first problem of the Northwest Power Administrative Bureau and of Shaanxi's power construction. The original planned economic form in fundraising should be broken with. Utilizing foreign funds is a good method as well. We very much support the method of enlivening the existing assets. The Northwest Power Administrative Bureau should do a penetrating job and do research in the distribution ratio of funds. The funds that can be re-invested after being withdrawn should also be cleared up. We all should improve service towards Shaanxi's power development with one heart and one mind.

Responsible comrades of the Northwest Power Administrative Bureau also offered suggestions for Shaanxi's power construction.

On 15 June, Minister Shi Dazhen left Xian after winding up his trip to Shaanxi.

#### **PRC: Prosecutors Handle 26,667 Corruption Cases in Five Months**

*OW1207130696 Beijing XINHUA in English  
1234 GMT 12 Jul 96*

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — Chinese prosecutors have handled 26,667 economic crimes of corruption and embezzlement during the first five months this year, including investigations of 1,151 party and government officials above the county-head level.

The total represents a 7-percent rise in economic crimes over the same period last year.

More than 1.5 billion yuan (180.7 million US dollars) of direct state and collective economic losses were recovered from these cases, an increase of 34.4 percent from the same period in 1995, said Liang Guoqing, deputy procurator-general of the Supreme People's Procuratorate, who was speaking at a national work conference today.

"Procuratorial bodies have centered their efforts on 'major and important' corruption cases, and have made marked new progress in the fight to uncover corrupt officials and crack major cases in the first half of this year," he said.

There were 17,261 high-level corruption cases reported in the January-May period, involving more than 10,000 yuan each, up 22 percent from the first five months in 1995, Liang said.

To ensure swift and severe punishment for the criminals, 12,964 people involved in 10,516 cases of corruption, embezzlement and abuse of power for personal interests were brought to court during the five-month time frame, Liang said.

"The massive and forceful crackdowns on corruption and crimes involving important figures and large sums of money have effectively frightened the criminals, educated the cadres and encouraged the public's enthusiasm toward participating in the fight against such illegal activities," he said.

To date, citizens have provided authorities with leads in 164,000 cases of corruption, 26.9 percent more than during the corresponding time in 1995.

Liang pledged to continue the anti-corruption fight against the "major and important" offenders, as the number of cases successfully prosecuted "truly indicates the progress of this fight."

He urged the procuratorial departments to investigate fields such as finance and securities, real estate, and building contracting.

In addition to the anti-corruption drive, China's procuratorial bodies also made significant progress in reining in crimes that affect the public order, state security, and the supervision of law enforcement.

During the five-month period, prosecutors arrested 245,000 suspects, filed charges against 219,000, and prosecuted 3,700.

They also raised more than 6,000 pieces of corrections to police officers and court officials during the course of investigations and trials, issued over 50,000 reprimands against prisons for inappropriate conduct, and collected 580 written protests against alleged unfair verdicts and court judgements.

**PRC: RENMIN RIBAO Commentary Calls For Keeping Prices Stable**

OW1107144796 Beijing XINHUA in English  
1408 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — In a commentary to be published tomorrow, the People's Daily is calling for redoubled efforts be made to stabilize prices and tighten supervision over and management of market prices.

The paper, the leading newspaper in China, says in the commentary: "China scored marked successes in curbing inflation in the first half of this year."

Urban and rural markets are now prosperous and stable, and the price increase range has continued to fall, it adds.

The country's general commodity retail price index rose 7.1 percent during the January-June period from the same period a year ago.

Except for a few provinces, the range of the increase in commodity retail prices has fallen within the range of ten percent.

The commentary said the success in curbing inflation is due primary to the improvement of the macro-economic environment, and the near balance between total supply and total demand.

"Another factor is the implementation of various measures to strengthen the farming sector, a good summer grain harvest, and sufficient supplies of grain, cotton,

edible oil, meat and other major farm and sideline products," it says.

It asks governments at all levels to do their utmost to combat natural disasters, make a success of the restructuring of state-owned enterprises, and halt the decrease in the economic returns of enterprises.

It also stresses the importance of continuing to implement the relatively tight monetary policy, and retain a near balance between total supply and total demand.

**Science & Technology**

**PRC: Aerospatiale Official Comments: Firm Looks Forward to Cooperation With China**

96P30223A Beijing ZHONGGUO HANGTIAN  
[AEROSPACE CHINA] in Chinese May 96  
No 5, p 21

[Article by reporter Yue Yi: "Aerospatiale Looks Forward to Aerospace Cooperation with China"]

[FBIS Summary] The 2nd Sino-French Economic Conference was held in Beijing 26-27 March by the China Council for the Promotion of International Trade [CCPIT], the China International Chamber of Commerce, and a Sino-French commission, with Premier Li Peng in attendance. At the conference, France's Aerospatiale Vice-Governor Mr. (Wei-lei) expressed his firm's eagerness to cooperate with the Chinese aerospace industry. Mr. (Wei-lei) described Aerospatiale's recent improvements to the Ariane launch vehicle series and the firm's world-class achievements in satellites for communications, remote sensing, and scientific research. He also indicated that his firm is the overall contractor for France's strategic ballistic missile industry, and that Aerospatiale's cooperation with Chinese aerospace circles was only just beginning.

Not long ago, Aerospatiale received the first order for Chinese communications satellites from Xinnuo [i.e. SHINAR] Satellite Company, a joint venture formed by the China People's Bank, China's National Defense Science, Technology and Industry Commission [NDSTIC or COSTIND], and the Shanghai Municipal Government. Mr. (Wei-lei) said, "From the beginning, Germany's [Daimler-Benz Aerospace Company [DASA] had already established excellent cooperative partner relations with the Chinese aerospace industry. In the organizational shake-up in the international aerospace industry, Aerospatiale and Benz's amalgamated operations for their military and civilian satellite business and tactical missile business have now come to an end. We [nevertheless] look forward to their further cooperation with China's aerospace industry, and to a further



close, excellent cooperative partner relationship between China and the European aerospace industry in the future."

**PRC: First Successful Flight of Jian-8 II Model M Fighter Reported**

96P30223B Beijing HANGKONG ZHISHI  
[AEROSPACE KNOWLEDGE] in Chinese May 96  
No 5, p 2

[FBIS Summary] The first successful flight of the Jian-8 II M fighter took place in Shenyang on 31 March. The Jian-8 II M, based on the Jian-8 II but incorporating a large number of improvements, is a high-performance, high-altitude, high-speed, multi-role, all-weather fighter. The Jian-8 II M is equipped with an advanced PD [probability of detection or pulse Doppler] radar, has both forward-looking and backward-looking capabilities, and can launch guidable mid-range interception (defensive) missiles. The development of this new-model Jian-8 II will have a direct effect on expanding sales channels and the export market for the domestic aircraft industry.

**PRC: Plans for DXF100 Wing-in-Ground Effect Aircraft Approved**

96P30223D Beijing HANGKONG ZHISHI  
[AEROSPACE CHINA] in Chinese May 96  
No 5, pp 3-4

[FBIS Summary] Overall design plans for the DXF100 [wing-in-) ground [WIG] (water) effect aircraft—jointly developed by Aviation Industries of China (AVIC) Institute 605 and China Aerospace Corp. (CASC) Institute 701 in a project managed by the China Science & Technology Development Academy [CSTDA]—passed expert appraisal on 31 March. The WIG effect aircraft, incorporating elements of both aircraft manufacturing and shipbuilding, is the subject of one of the fastest growing leading-edge technologies and has potential value both for civilian use and military use. When used for civilian purposes, the new Chinese WIG effect craft is a 4.7-tonne-class, 16-seat craft. According to the present schedule, production, flight testing, and delivery (to the client) of two DXF100 WIG effect aircraft will be completed by the third quarter of 1997. CSTDA Director Li Xu'e [2621 4872 6759] and AVIC S&T Committee Vice-Chairman Gu Songfen [7357 6139 5358] participated in the expert appraisal.

**PRC: PRC Commissions Spar Aerospace To Build Two Satellites**

HK1507083596 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14-20 Jul 96 p 2

[By Zhong Bu: "Spar Commissioned To Build Satellites For China"]

[PTS Transcribed Text for FBIS] Spar Aerospace Ltd, an international satellite telecommunications company, is expected to build two satellites for China, said Colin Watson, president of the Canada-based corporation.

The two satellites, involving a total investment of \$600 million, are called Radarsats. They will be built for China Aerospace Industry Corp and the State Commission for Science, Technology and Industry for National Defence.

The first one is expected to be launched by the end of this century, the second around 2004, Watson said.

Radarsats, which gather detailed images of the earth, will be used for ocean surveillance, mining tracking dangerous ice formations, monitoring natural disasters and resources and other commercial purposes.

Unlike ordinary satellites using built-in cameras, Spar's Radarsat, by using a synthetic aperture radar — a powerful microwave instrument — can transmit and receive signals through darkness, cloud and other weather conditions.

According to memos signed between Spar and China last week, Chinese scientists and engineers will join in the building of the two Radarsats for China, Watson said, adding that the possibility of using China's Long March rocket to launch them was "very high."

As a designer and manufacturer of satellite-based communications net works and systems, Spar and its subsidiary company ComStream have also formally signed a contract with China National Nuclear Industry Corp (CNNC) on May 7. The contract is about building a communication network, or Time Division Multiple Access (TDMA) network, for CNIC. The \$10-million project is expected to be finished in two years.

Spar built the world's biggest TDMA network for China's Ministry of Communications, which has 71 earth stations covering the whole country. It began operation in September 1995.

Watson said Spar also has charted a strategy for satellite-based rural telecommunications in China, aiming at linking thousands of people in remote areas to the outside world.



Spar has been in China for 25 years. It implemented in this country the first two satellite earth stations in Beijing and Shanghai in 1972, when former US President Richard Nixon made a historic visit to China. The two earth stations gave the world the first glimpse of China while broadcasting Nixon's visit to China worldwide.

"Our business in China, though only 5 per cent of Spar's total now, is growing fast," Watson said. "We expect it to grow faster in the next 25 years as China's high-speed economic growth and huge market are providing great opportunities," Watson said.

So far the corporation has established more than 3,000 earth satellite stations across the country. Its business contract value with China has hit \$125 million.

**PRC: Lockheed-Martin To Export  
Telecommunications Satellite**

OW1107151996 Beijing XINHUA in English  
1423 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — American-owned Lockheed-Martin International is to hand over a telecommunications satellite to a Chinese company in September next year. It will be launched later by a Chinese Long March B rocket at the Xichang Satellite Launch Center.

The satellite, "Zhongwei I", is to be made for the China Orient Telecom Satellite Company, which is an affiliate of the state Ministry of Posts and Telecommunications.

The satellite is equipped with 48 36-MHZ transmitters, equal to the total number of satellite transmitters that China has at present. And the satellite will cover the whole of China, and most parts of Asia.

Thomas J. Dwyer, vice-president for business development at Lockheed Martin, said that the recent lifting of the ban that US President Bill Clinton announced on the American companies' export of telecommunications satellites to China, will make it easier for the company to expand its business in China.

However, Dwyer also confessed that his company is facing strong competition from European counterparts.

China has the most powerful and competent carrier rockets in the world, and is also the biggest potential market for commercial satellite launching, Dwyer said, adding that he hoped to expand his company's business in China.

Lockheed-Martin's export of the satellite will be the first ever commercial satellite-launch cooperation between China and the U.S., and will benefit both countries, Dwyer said.

The satellite to be launched will be able to meet China's growing demand for more telecommunications satellites, and also pave the way for China to realize the goal of linking every Chinese village with the telephone system.

**PRC: Successes Scored in Scientific Research on  
Nansha Islands**

OW1407120196 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1317 GMT 11 Jul 96

[FBIS Translated Text] Hong Kong, 11 July (ZTS) — China's 12-year comprehensive scientific observation and study of the Nansha Islands and nearby sea areas has obtained lots of valuable data, samples, and specimens, on which a large number of theses, treatises, and atlases have been written and drawn and many scientific research achievements have been scored. These materials, data, and achievements have enriched the basic theory of China's oceanography, provided China's foreign affairs departments with countermeasure proposals, and thus played an active role in safeguarding China's sovereignty over the Nansha Islands and its rights and interests.

According to the Beijing-based GUANGMING RIBAO, in a briefing, Chen Junde, senior engineer at the South China Sea Oceanography Institute [SCSOI] under the Chinese Academy of Sciences, said: China's comprehensive observation and study of the Nansha Islands was started in 1984. In 1985 and 1986, the institute conducted marine observation and study in the Nansha Islands twice. During the periods of the Seventh and Eighth Five-Year Plans, the observation and study of the Nansha Islands was listed as a selected state project of scientific and technological research. Under the leadership of the State Science and Technology Commission and the State Planning Commission, a project leading group and an experts team were set up, with the SCSOI being specifically responsible for project implementation. The group and team checked and accepted the achievements of all observation and study projects of the Nansha Islands during the periods of the Seventh and Eighth Five-Year Plans separately in 1991 and 1995. At the end of 1995, the observation and study of the Nansha Islands was again listed as a selected state project of scientific and technological research during the Ninth Five-Year Plan period.

The SCSOI's first observation and study of the Nansha Islands included 21 projects in seven disciplines of hydrology, meteorology, optics, sedimentation, biology, chemistry, and topography and landforms. Every observation and study mission was crowned with lots of valuable observational material, data, samples, and specimens. For example, during the Eighth Five-Year Plan

period, the institute conducted eight voyages of marine investigation; published 955 research reports and theses; and organized the publication of 35 treatises, atlases, and collected works. Their contents are as follows:

1. Expounding from major aspects, such as historical evolution, law, and resources environment, that the Nansha Islands have been Chinese territory since time immemorial; putting forth six boundary delimiting proposals and the assumption of five regions for "common development"; drawing up a Nansha Islands sea chart with a 1:500,000 scale; and discovering a number of navigable water courses, anchorages, and harbor settings.

2. Advancing a new argument asserting that the main body of the Nansha Islands was formed by a stretching, thin continental earth crust and that in a section of the sea trough of the Nansha Islands there is an oceanic crust; comprehensively and systematically studying the sedimentation characteristics of and the history of the formation of the Wanan and Zengmu Basins, the regional background of hydrocarbon rich rock, and combination of sluice reservoir and covering rock; making a comprehensive evaluation of latent oil and gas energy; and pointing out the prospecting direction and area of the Nanwei Basin.

3. Studying the relationship between the diversity of fish and other species and the environment, discovering 60 new species, finding the distribution of economic fish and the characteristics of their aggregate structure, and delimiting four high-quality fishing grounds in Nansha's southwestern waters.

4. Bringing into light the formation of coral reefs in the tropical monsoon zone at low latitudes; the law governing their evolution; and especially making innovative advances in the research of the evolution of coral reef, the fourth-age sedimentation, and the environment.

5. Discovering the existence of a biological photosynthetic active layer in the subsurface of Nansha waters, taking the lead in China in setting up a model of major biogenic factors in Nansha waters, evaluating the environmental quality of Nansha waters, and offering countermeasures to protect the ecology.

6. Obtaining the richest physical marine materials concerning the Nansha waters ever gathered so far at home and abroad, on which a relatively complete sea area circulation chart has been drawn up proving the existence of a strong northeast current during the active period of northwestern monsoons and the adverse Nansha current during the winter monsoon period; discovering and defining the Nansha's warm waters; and systematically

expounding the Nansha waters' climatic characteristics. And,

7. Establishing a comprehensive data information system of the system integration environment; and more than 200 special bases of various types, including a database, achievement base, method base, and document base. Some of the aforesaid research achievements have reached international leading levels, and overall, they have reached international advanced levels.

**PRC: Digital Technology Widely Used in Surveying**  
OW1007135996 Beijing XINHUA in English  
1300 GMT 10 Jul 96

[FBIS Transcribed Text] Beijing, July 10 (XINHUA) — Digital technology has been widely applied to surveying and mapping wetlands in northeast China's Heilongjiang Province and for a geographic information system for provincial wetland resource management, according to the State Bureau of Surveying and Mapping.

The project, "the application of digital surveying and mapping technology to wetland research", was the work of the Heilongjiang Surveying and Mapping Bureau, and involved Prof. Lu Jianjian, a famous wetlands scholar.

Wetlands are a type of important natural resource and ecological system and their protection is one of the parts of environmental protection, and surveying and mapping them is an important part of protecting them.

By using digital technology, remote sensing, and GIS technology, the researchers were able, in four years, to survey and map the wetland resources of the whole province.

The wetlands management geographic information system consists of classified statistics, various kinds of statistical charts, and diagrams that provide a scientific basis for the protection and development of the province's wetland resources.

**PRC: GSM Telecommunication Services Set Up in Fujian, Jilin**

OW1107112296 Beijing XINHUA in English  
0813 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — Digital mobile telecommunications services were launched last month by Fujian and Jilin provinces and are expected to cover all cities and counties in those areas.

A province-wide GSM (global service for mobile telecommunication) network went into operation on June 20 in Fujian, a coastal province in east China, and

on June 30 in Jilin, in the northeast, the Beijing-based People's Posts and Telecommunications reported.

The Fujian GSM network will be connected with mobile phone systems from 15 countries and overseas regions, and some 54,800 subscribers will have access to international roaming service soon, according to the paper.

The network in Jilin province, involving 23 million US dollars of investment, is based on the GSM switching system manufactured by Shanghai-Bell, a Sino-Belgian joint venture, and has an exchange capacity of 160,000 channels.

The network has two switching centers and 87 base stations, and has recruited more than 3,000 subscribers.

**PRC: Lucent Technologies Sets Up Solutions Center in Beijing**

OW1107122096 Beijing XINHUA in English  
0909 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — Lucent Technologies, formerly AT&T's network and system business, has opened a solutions center in Beijing.

The center was developed at the end of last year to gather together Lucent Technologies' latest breakthroughs in the telecoms field, and was the first of its kind in China.

Broken up into household telecommunications, integrated networks, office telecommunications, wireless telecommunications, and network applications areas, the center gives more attention to the company's new SDH (synchronous digital hierarchy), ATM (asynchronous transport model), CDMA (code division multiple access) and optical fiber technology, according to the journal Electronic Products World.

Randy Yeh, president of Lucent Technologies (China) Co., said that over the past five years, the company had a 10-fold growth in its business in China, and will now shift its focus to the development of wireless telecommunications.

**PRC: Nuclear Power Output Increases by Nearly Half Jan-Jun**

OW1107121696 Beijing XINHUA in English  
0955 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — China's nuclear power plants generated a total of 5.58 billion kilowatt hours in the first half of this year, up 47 percent over the same period last year.

Latest figures released by the China National Nuclear Corporation (CNNC) indicate that from January to June, the Daya Bay Nuclear Power Plant, near Hong Kong, generated a combined output of about 4.68 billion kilowatt hours, soaring 64 percent.

About 59 percent of Daya Bay plant's power output was exported to Hong Kong in this period, CNNC officials said.

Another functioning nuclear power plant, Qinshan, in east China's Zhejiang Province, generated an output of 909 million kilowatt hours, down four percent. Officials attributed the slight decrease to the refueling and maintenance of equipment in the plant during the period. But in June, the plant produced 220 million kilowatt hours, surpassing its average monthly output.

At present, China's nuclear power installed capacity amounts to 2.1 million kilowatts, less than one percent of the country's total.

China plans to build a new nuclear power plant with eight generating units in the Ninth Five-Year Plan Period (1996-2000) to ease the shortage of power in the country, especially in the coastal area.

**PRC: Opening of New Oil Fields for Foreign Oil Companies**

OW1207091096 Beijing XINHUA in English  
0754 GMT 12 Jul 96

[FBIS Transcribed Text] Beijing, July 12 (XINHUA) — China will open more areas rich in oil and gas resources to foreign oil companies in a bid to speed up the country's oil development.

According to a senior official with the China National Petroleum Corp (CNPC), China will have 7 to 9 co-operative oil projects with foreign oil companies in the latter half of the year.

He said that there are new blocks in the western part of the country and in the Songliao Plain of northeast China that are looking for foreign co-operation.

Co-operative production of undeveloped oil and gas reserves will be mainly in areas around old oil fields in the eastern part of the country, and cooperation in gas will be mainly in southwest China's Sichuan Province and the Qaidam and Tarim basins in northwest China.

The official emphasized that China will expand Sino-foreign co-operation in risky oil and gas exploration, in improving oil recovery in old oil fields, and in constructing long-distance oil and gas pipelines.



According to CNPC, China has expanded Sino-foreign continental oil co-operation to 21 provinces and autonomous regions, on nearly 2.5 million sq km of land.

CNPC has signed 35 oil contracts and agreements worth 500 million U.S. dollars, on 150,000 sq km of land, with 32 foreign oil companies, including 28 of the oil giants.

China is also taking an active part in overseas oil and gas exploration and has rights to develop oil fields in Peru, Russia, Thailand, Canada, Sudan, and Papua New Guinea, with some success already having been made in some, the CNPC source added.

### Military & Public Security

#### PRC: Licensed Production of Su-27 Expected To Increase

OW1407145796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Jul 96 Morning Edition p 1

[FBIS Translated Text] The People's Republic of China [PRC] is stepping up the licensed production of the Su-27, Russia's latest combat aircraft, and is expected to possess a total of approximately 300 units by the early part of the 21st century, a government source disclosed. The PRC's drastic build up of its air power is expected to considerably affect the military balance between the PRC and Taiwan, and the Self Defense Forces [SDF] and U.S. forces are likely to be forced to reconsider troop deployment.

The Su-27 is a fighter that Russia has developed in response to the U.S. fighter F-15. It has gained a good reputation for its high mobility. The PRC's navy and air force possess a total of approximately 6,000 operational aircraft, most of which are outdated. Consequently, to modernize its air force, the PRC put in service the 26 Su-27's it purchased from Russia as of last year, and reached an agreement with Russia to purchase an additional 72 units.

Moreover, it is believed that when Liu Huaqing, vice chairman of the CPC Central Military Commission, visited Russia last December, the PRC concluded a contract with Russia for the licensed production of the Su-27 within the PRC.

Taiwan has also proceeded to modernize its air force; it plans to procure 150 F-16's and other equipment from the United States within the year. However, the PRC's mass production of the Su-27's will be on a much larger scale.

#### PRC: Article on Battlefield 'Visibility'

OW1107090596 Beijing JIEFANGJUN BAO in Chinese 11 Jun 96 p 6

["Military Column" Article by Su Zhirong (5685 1807 2837): "High 'Visibility' of Modern Battlefield"]

[PTS Translated Text for FBIS] On the modern battlefield, belligerent parties would erect all sorts of reconnaissance platforms from the sea bottom to the space and use each and every reconnaissance measure, such as photo, electronic, magnetic, acoustic, and other measures. By conducting reconnaissance by virtue of acoustic wave, microwave, and infrared ray, they would spread a "dragnet" of reconnaissance, monitoring, and early warning. As a result, a plane flying 300 meters above a key zone would simultaneously be caught by some 800-900 radars. While being hunted by some 300-400 radars at 600-700 different frequencies at the same time, the plane could be tailed by some 30-30 radars. In some areas of Europe, radar signals would be so intense that some 0.25 million to 1 million pulses could be detected in one second. In wartime, the number of pulses could exceed 1.2 million in one second (equivalent to 1,600 radars). Since ultra-vision, night vision, and other hi-tech reconnaissance devices have become available, an army's reconnaissance scope has been extended in terms of time, space, and frequency. Since "discovery means elimination," ability of discovering a target has become a vital symbol of modern military strength.

Hi-tech military equipment has significantly improved reconnaissance "visibility" in the following four areas:

**Ultra-Vision Reconnaissance.** Nowadays, any major military operation or ground target could hardly evade "eyes" of a satellite. Reconnaissance satellite visibility is ten thousand times better than that of a reconnaissance plane. The U.S. TR-1 tactical reconnaissance plane with a ground-resolving power of three meters and an endurance of 12 hours could photograph a target 56 kilometers inside a foreign country while flying along the boundary line. Since ultra-vision radar reconnaissance distance has been extended, every time an electric wave bounces between the ionosphere and the ground, a radar could detect a target some 3,000 kilometers away and thereby issue an early warning against a low-altitude attack or an ultra-low-altitude attack. For instance, the U.S. long-range search radar, with a topographic coverage of 38 degrees and 4,800 kilometers, could detect and tail some 100-200 targets at the same time. The advanced U.S. vehicle-based or ship-based reconnaissance devices could detect a ground target some 20 kilometers away or an underwater target some 1,100 kilometers away.

**All-Time Reconnaissance.** With a micro-light night-vision device capable of seeing any target 100,000 times more clearly at night, a modern army could easily discover a target at night. As infrared ray, micro-light, heat-image formation, and other night-vision devices have been extensively employed by troops in night observation, night sighting, night driving, night reconnaissance, and night operation, a modern army could now discover a target farther away and more clearly at night. The third-generation micro-light observation device and heat-image formation device could identify a ground situation some 10 kilometers away, a human target one kilometer away, and a vehicle target seven kilometers away. An airborne heat-image formation device could see troops assembling and vehicles running on the ground at an altitude of 20 kilometers. Now people are still trying to improve night-vision devices in hopes of extending their survey and distinction distance; enhancing their resolving power; and enlarging their spectra coverage.

**All-Weather Reconnaissance.** Infrared-ray scanning devices developed by virtue of infrared-ray technology, including film image recorder, infrared-ray scanning camera, televised front view infrared-ray system, heat-image formation and direct-observation device, and so on, could clearly see targets far away day and night despite smoke, fog, haze, and snow and could clearly tell targets amid cannon flame, dynamite smoke and dirt, and flashes on the battlefield.

**Anti-Camouflage Reconnaissance.** Since it could see a target by analyzing different heat radiations of the target and the background, a heat-image formation device is especially capable of conducting anti-camouflage reconnaissance. A portable heat-image formation device could tell personnel and vehicles some 60 meters deep inside a grove and a target one meter under a minefield or under the ground and obtain clear pictures of the target as well. For instance, a portable heat-image formation device could tell "shadows" of a cannon, a vehicle, or other equipment by analyzing "hot traces" left on the ground over the past 16 hours and know where the equipment has been moved. The anti-camouflage multi-spectra camera, multi-spectra scanning device, and multi-spectra television could clearly see targets hidden by trees or grass. According to a report by the U.S. magazine *POPULAR SCIENCE*, as of 1990 the U.S. Defense Department started to invest some \$45.2 billion and install a 1.7 billion-watt super-strong electric wave generator in a secret base in Alaska in hopes of detecting foreign military installations deep under the ground several thousand kilometers away and sighting foreign cruise missiles flying at a ultra-

low altitude through reflecting waves of its own strong electric waves in the ionosphere.

**PRC: Liaoning Article on Militia, Reserve Forces**  
*SK0907013496 Shenyang LIAONING RIBAO*  
*in Chinese 16 Jun 96 pp 1, 4*

[Article by Gao Diancheng, standing committee member of the provincial party committee and political commissar of the provincial military district]

[FBIS Translated Text] General Secretary Jiang Zemin emphasized in the fifth plenary session of the 14th party Central Committee that it is imperative for leading cadres to attach importance to politics. Recently, when penetrating the spirit of General Secretary Jiang's important speech and considering the work reality of provincial militia and reserve forces, we reached a profound understanding: Being the military department of the local party committee and the government's military service organ, the provincial military district should ensure the party's absolute leadership over the armed forces, maintain the nature of the militia and the reserve forces, and guarantee the correct development of the reserve forces of the national defense. By so doing, General Secretary Jiang Zemin's important guidance to attach importance to politics is observed. In the new historical period, we should conscientiously carry out the series of guidelines, principles, and important guidance from the party Central Committee, the State Council, and the Central Military Commission on promoting the reserve forces. It is imperative to carry out the military commission's military strategy for the new period and the guiding thoughts for militia and reserve forces work. The overall level of the reserve forces should be unremittingly promoted, and the important function of the militia and reserve forces — safeguarding border and coastal defense, maintaining social stability, and enhancing economic construction — should be brought into play.

**1. It Is Imperative To Uphold the Principle That the Party Administers the Armed Forces and To Guarantee That the Militia and the Reserve Forces Are Under the Party's Absolute Leadership**

The country's militia and reserve forces are CPC-led armed mass organizations, and they are a helping hand and the reserve forces for the Chinese People's Liberation Army. Together with other armed forces, they shoulder the dual task of opposing invasions and ensuring internal stability. Like the army, they are military forces led by the CPC and serve the cause of implementing the party's program and party's line, and they are also one of the tools to consolidate the people's democratic dictatorship. The class nature

of the militia and the reserve forces determines their subordination to the party's absolute leadership. To attach importance to politics, the core is to uphold the correct political direction. It is imperative to stick to the principle that the party administers the armed forces, strengthen the party's absolute leadership over the militia and reserve forces, and maintain the nature of developing this force in the correct direction. First, political leadership should be strengthened. The main thing is to unrelentingly implement the party's program and line and the principle of the national defense reserve forces, which are stipulated in accordance with the party's program and line. It is imperative that, under any circumstances, we unswervingly remain consistent with the party Central Committee and the Central Military Commission politically, ideologically, and in our actions, and listen to the order of the party Central Committee and the Central Military Mission. Second, we should continue the dual leadership system where the local party committee and government and the military department both have power over armed forces work. The dual leadership system is a good tradition of militia work and also an effective system for the party to strengthen its leadership over the armed forces. The systems include several measures: Party committee secretaries of the province, cities, and counties (cities, districts) should concurrently hold the posts of first secretaries of party committees of the provincial military district and subdistricts and of the people's armed forces of counties (cities, districts); one of the major leaders of the provincial military district, the military subdistrict, and the people's armed forces of counties (cities, districts), should join local party committees at the corresponding level; all-level people's armament committees, respectively subordinate to the province, cities, counties, (cities, districts) should be established; main leaders of local party committees and governments should go to departments of the people's armed forces to handle business; and party committees should hold meetings on army affairs. Under the new situation, we should insist on and perfect the dual leadership system, and implement it in practical work. Thus, we can ensure the party's leadership over the militia and reserve forces. Third, the provincial military sector should perform its duty to the fullest; conscientiously implement the important guidance from the party Central Committee, State Council, and the Central Military Commission on strengthening the people's armed forces; consider local conditions, and actively advise the local party committee and government.

We should uphold and improve democratic centralism, for it is the party's fundamental organizational principle, one of the party's organizational systems for leading the army, and an effective measure for guaranteeing a high

degree of centralism and unity between the party and the army and making the party and army always invincible. To persist in making the party exercise absolute leadership over the armed forces and to guarantee that the militia and reserve forces will have a correct political orientation, we must uphold and improve democratic centralism. To uphold democratic centralism, in addition to developing internal party democracy and using the enthusiasm of all sectors, we should strengthen centralism based on democracy, safeguard the authority of the party Central Committee, and guarantee the smooth implementation of the party Central Committee, the decrees of the Central Military Commission, and military orders. Leading cadres should recognize the extreme importance of safeguarding the authority of the party Central Committee from a political perspective, conscientiously implement the principle of democratic centralism, safeguard the authority of the party Central Committee and the Central Military Commission, persist in regarding implementation of the directives of the party Central Committee and the Central Military Commission as their own duties, and guarantee that the highest leadership and commanding rights of the army will be concentrated on the party Central Committee and the Central Military Commission. We should implement the system of making leading cadres share the work and responsibilities under the unified collective leadership of the party committee and persist in deciding major issues through discussions at party committee meetings. After the party committee has made its decisions, army and government leading cadres should implement them through division of work with individual responsibility. We should guard against sharing the work with standing committee members instead of sharing with leading cadres and against substituting relationships of equality inside the party with administrative relationships of subordination. We should guarantee that the party committee will concentrate on grasping major affairs and implementing powerful leadership over the army.

Making high- and middle-ranking army cadres shoulder major leadership responsibilities in army building, strengthening party building at all levels in the army and the education and management of high- and middle-ranking cadres, and enhancing their political quality are of extreme importance in guaranteeing the party's absolute leadership over armed forces work. In line with the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the demand of the "General Political Department's proposals on strengthening the education and management of high- and middle-ranking army cadres" approved by the military commission, we must strive to strengthen the building of ideology, theories, organizations, discipline, and work style of party organizations and leading cadres at all levels. We should



regard maintaining political soberness and steadfastness as top priorities, organize the broad masses of party members and leading cadres to conscientiously study Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and strengthen socialist and communist ideals and convictions. While studying the theory, we should combine it with the ideological transformation of leading cadres; cultivate a correct world outlook, life outlook, and concept of values; give priority to solving the issues of whom we serve as an officer and how to use our authority; withstand the test of "money, authority, and beauty" under the situation of building the socialist economy system; and strive to conduct ourselves with dignity, examine our ability and conduct, be vigilant, and encourage ourselves. It is necessary to promote fine party and army traditions, be upright and clean, strictly observe all stipulations on administrative honesty, and cultivate a good army image. We should unceasingly enhance the revolutionary spirit, persist in meeting high work standards, and implement all tasks with the spirit of keeping a high responsibility to the party and the people.

## **2. It Is Imperative To Uphold the Party's Basic Line, Consciously Submit to and Serve the Overall Situation of Economic Construction**

The party's basic line is the guiding principle for all party tasks, and persisting in unswervingly implementing the party's basic line is the fundamental political task of the whole party. Comrade Jiang Zemin recently stressed that leading cadres should stress politics, and he pointed out that stressing politics is aimed at enabling comrades throughout the party to better implement the party's basic line on "one central task and two basic points" in an all-round manner. Since economy is the foundation, we should persist in making economic construction the central task and should never waver. Successfully developing the economy and socialist productive forces is the greatest politics at present. To stress politics, we should firmly grasp this central task and comprehensively and accurately implement this basic line in our practical work. Party committees and leaders of provincial military organs at all levels should comprehensively and accurately implement the party's basic line and conscientiously submit to and serve the overall situation of China's economic construction.

At present, we should properly handle two relations: First, the relationship between politics and the economy. In practical work, on the one hand we should give full play to the advantage of armed forces organs, and organize and mobilize militia and reserve forces personnel to participate in economic construction. We should

organize militiamen and reserve forces lead in studying and publicizing the party's basic line; tackling technical problems and conducting labor emulation drive; becoming prosperous through science and hard work; participating in key construction projects in their own localities and units in the course of production and construction; and fulfilling all urgent, difficult, dangerous and heavy tasks in the course of production. In close connection with the strategic objective of economic construction and the three major strategies of optimizing the structure, using the export-oriented economy to uplift the whole economy, and invigorating Liaoning with science and education proposed by the provincial party committee and government, we should organize militia and reserve forces personnel to participate in agricultural development, water conservancy projects, afforestation, and construction of key road projects and infrastructure facilities in a well-organized, planned, and step-by-step manner, and contribute to realizing the objective of Liaoning's second pioneering program. At present, we should conscientiously implement the guidelines of the Fourth Session of the Eighth National People's Congress, and use militia and reserve forces' role as the main force in reform and construction in close connection with the economic system and the change in the economic growth mode. On the other hand, we should use the key role of militia and reserve forces in safeguarding political and social stability and create a good environment for reform, opening up, and economic construction. Armed forces departments at all levels should clearly recognize the situation and firmly cultivate the ideology that the more they deepen reform and expand opening up, the more they should pay great attention to safeguarding social and political stability, and should shoulder the major political responsibility of safeguarding stability. It is imperative to strengthen the building of militia and reserve forces teams to deal with emergencies, and to guarantee that they can be dispatched when sudden incidents occur. We should actively coordinate with public security departments to strike blows to all sorts of criminal activities and safeguard social order. Second, we should properly handle the relationship between the parts and the whole. Vigorously developing socialist productive forces and strengthening the country's economic construction are the central tasks of the entire party and the people across the country and the general tasks of the country. All our tasks should be carried out around this central tasks, serve the general tasks, and proceed under the general tasks. Efforts should be made to realize the general tasks. The 20-character principle of "seizing opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability" defined by the party Central Committee is the general task of the whole party and

country. In carrying out all tasks of the armed forces department, we should recognize the importance of safeguarding the interests of the whole from a political perspective and consciously subordinate departments' interests to the interests of the whole. In submitting ourselves to the overall situation, we should consciously observe political discipline, and ensure that individuals are subordinate to their organizations, the minority is subordinate to the majority, lower levels are subordinate to higher levels, and the whole party is subordinate to central authorities.

### **3. It Is Imperative To Implement the Strategic Military Principle Under the New Period and Strengthen the Comprehensive Building of Militia and Reserve Forces**

During the new historical period, the party Central Committee, the State Council, and the Central Military Commission should pay great attention to building national defense reserve forces, stress that building a militia should be placed in a strategic position, explicitly point out that "the integration of a competent standing army with powerful reserve forces is the inevitable way to modernize the PRC's national defense," and propose new targets and tasks for strengthening the comprehensive building of national defense reserve forces. Strengthening the comprehensive building of reserve forces demands we guarantee state security and stability, implement the military strategic principle during the new period, strengthen the quality of our army, and promote development of economic construction. The people's armed forces departments at all levels should understand the important significance of strengthening the comprehensive building of reserve forces from a strategic perspective, unceasingly strengthen the sense of political responsibility, and successively build Liaoning's reserve forces with high standards.

We should successively build militia and reserve forces in line with the general demand of "being qualified in politics, perfect in military skills, good in work style, strict in discipline, and effective in logistical support." At present, we should grasp well five aspects: First, we should vigorously strengthen the building of ideology and politics and guarantee that militia and reserve forces are politically qualified. We should organize the broad masses of militia and reserve forces to study Deng Xiaoping's theory on building socialism with Chinese characteristics, the ideology on army building under the new situation, the party's basic line and all principles and policies, have a good grasp of the basic theoretical viewpoints, and enhance the ability to distinguish between right and wrong. We should specifically conduct education on patriotism, devotion, and revolution-

ary outlook on life; education on respecting cadres, cherishing the army, and working hard; and enable the broad masses of militia and reserve forces to unceasingly enhance ideological awareness, consciously resist the influence of decadent ideology and culture, and maintain political steadfastness as well as ideological and moral purity. We should strengthen examinations of the political behavior and records of militia and reserve forces while adjusting their organizations; purify militia organizations; and guarantee the guns are firmly grasped by those loyal to the party and the people. Second, we should give impetus to training and raise the quality of the military. In training militia and reserve forces, we should gradually attain the goal of "standardizing training and the training order, turning the training ground into bases, adopting simulated training methods, economizing on training supplies, and making the quality of training meet standards. We should give priority to training special, armed forces, and militia cadres and teams to deal with emergencies and to training professional technical teams and reserve forces teams. We should pay attention to studying fighting tactics and strive to develop effective means to win future battles under modern technological conditions, especially conditions involving high technology; means deal with all kinds of sudden incidents; and means conquer the enemy. Third, we should organize militia and reserve forces in a scientific way and optimize their overall structure. In line with the needs of a modern war, we should keep an eye on optimizing organizations, scientifically adjusting the structure of reserve forces, doing a good job in establishing reserve forces, and unceasingly enhancing our ability to implement tasks. Fourth, we should establish and improve national defense laws and regulations and build reserve forces in line with law. In recent years, the state and Liaoning Province have successively promulgated a series of laws and regulations on building national defense and played an important role in strengthening national defense. It is necessary to conscientiously implement the enacted laws, regulations, and systems; formulate and perfect some local laws and regulations in line with reality; and gradually institutionalize the building of reserve forces. We should receive supervision and inspection from the people's congress at all levels on our own initiative, strengthen the awareness of the legal system on the part of militia and reserve forces officers, and consciously abide by the laws enacted, strictly enforce laws, and give due punishment to law-breakers. Fifth, we should make breakthroughs in key areas and strive to raise the ability to mobilize and react rapidly. We should pay attention to grasping the major orientation and build militia and reserve forces in key areas, enabling them to enter a high level and stage within a short period and to realistically become

"fists" to deal with sudden incidents and be a proficient force of the party and people. We should give priority to building militia teams to deal with emergencies, and to building reserve forces. We should see to it that they are politically reliable and well-trained and that they have complete sets of equipment, can react quickly, and have strong fighting capabilities.

**PRC: Journal Examines High-Tech Impact on Naval Warfare**

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[Article by Shen Zhongchang (3088 0022 2490), Naval Military Academic Studies Institute, Science and Technology Department Director, Navy Senior Colonel, and Deputy Researcher, Zhang Haiying (1728 3189 7751), affiliated with the Naval Military Academic Studies Institute, Navy Lieutenant Commander, and staff officer, and Zhou Xinsheng (0719 2450 0524), affiliated with the Naval Military Academic Studies Institute, Navy Lieutenant, and staff officer; edited by Shi Yukun (4258 3768 0981): "The Impact of the New Military Revolution on Naval Warfare and the Naval Establishment"]

[FBIS Translated Text] The new military revolution is an epoch-making one involving a conversion from mechanized warfare to information war. As the navy is a service arm with very high-tech content and more comprehensive and triphibious features, this military revolution is bound to have a crucial impact on naval warfare and the naval establishment.

**I. The New Military Revolution Profoundly Changes Traditional Naval Warfare Theory and Concepts, Thus Impacting Upon Future Naval Warfare**

A group of new technologies made up of nuclear, aviation, shipbuilding, microelectronic, satellite, stealth, hover and surface effects, new materials, and maritime science and technology [S&T] is now becoming the technical and material basis for the new military revolution's impact upon naval warfare theory and acceleration of conceptual change. And electronic and information technology will have the most far-reaching significance. As they raise the capability to collect, process, and transmit battlefield information, making the battlefield more transparent, command more in real time, and fire strikes more accurate and reliable, they speed up the course of naval warfare. So undoubtedly, in the course of this military revolution, combat theory and concepts are undergoing profound change.

**A. Seizing Upon Information Supremacy Is the Key Means to Winning Future Naval Warfare**

Since nuclear deterrence, information deterrence is a new form of deterrence for future "units that win wars without having to fight," and even for keeping naval warfare from escalating. All naval combat operations, whether sea to land or the command and control of all types of power driven ships or aircraft, need to be supported by communications tools. The new military revolution is speeding up the digitization of naval fleets and the naval battlefield, bringing more communications ways and means, a stronger information [data] processing capability, and higher command and control [C&C] effectiveness. Weapons such as high-speed modern ships and long-range precision strike missiles will rely on highly effective combat information systems for higher combat performance. As that will sharply raise the power of all naval warfare platforms and weapons, it will sharply increase the role of information supremacy, which will in turn become a new key deterrent force. The side that gains the upper hand in information supremacy will control the initiative in the start, course, and finish of the war, as it will be able to use advanced information-war weapons to attack the enemy, thus "paralyzing" enemy planes in flight, surface ships, and all types of command centers, and facilitate "pin-point" strikes against key enemy targets with precision firepower, to achieve its anticipated aims. And the side that is unable to seize the information dominance will find it very hard to acquire the determination to start a naval war with an opponent that holds the information advantage and, if it does, will hardly be able to keep out of a passive state of being whipped on all sides. It is thus obvious that future naval combat will require seizing not only air supremacy and the naval advantage, but even more importantly the information advantage. That will play the primary role in overall naval warfare victory.

**B. Troop Concentration Is Replaced by Firepower Concentration**

In all naval combat operations, ships often need to be formed into various combat formations or battle groups, to perform combat missions in concentrated form. Troop concentrations facilitate effective command, the concentrated use of firepower, and the most effective defense, thus reducing the enemy threat. But on the informational [computerized, digitized, smartened] battlefield, participating ships can exchange information directly with command units by graphics and text, not only knowing their own position and situation and the data on friendly ships and planes, to control enemy conditions and current strike targets, but also having a much higher



long-range precision strike capability, which paves the way for decentralized naval ship operations. On such terms, the firepower needed to strike targets does not have to be achieved through a concentrated deployment of ships, with the strikes being achieved rather through accurate information transmission and long-range firepower. With the concentrated formations likely to be replaced in coming naval warfare by small formations and single ships, ships at sea will tend to become more "evenly"-distributed.

### **C. "NonContact Mobile Fire Strikes Become the Key Naval Battle Tactic**

On high-tech terms, coming naval warfare will use the major form of "noncontact" firestrikes. On the one hand, large-scale monitoring, early warning, and target-data processing and transmission by information technology platforms such as satellites will provide the necessary external climate of combat platforms for future ships and planes to fire long-range precision guided weapons. And on the other, longer-range, smarter, and more precise weapons such as guided missiles will provide the material grounds for "noncontact" mobile fire strikes. The combination of these two means that "noncontact" mobile fire strikes will be used widely on the coming battlefield, even to the point of becoming the key means of striking in-depth strategic and tactical enemy targets from naval based combat platforms. And in another sense, as such tactics will contribute to first-strike stealth and surprise, they will raise the survivability of combat platforms, as well as enabling more and wider targets to be attacked. In November 1993, in raids on Iraq's "no-fly zone," the U.S. military fired only 45 "Tomahawk" cruise missiles from ships 500 km away, to achieve its anticipated goal of a surprise in-depth attack on key Iraqi targets. On the future battlefield where information will be transmitted in real time, "noncontact" firestrikes on moving targets from various spaces and levels will become ever more widespread.

### **D. Underwater Strikes Become a Key Naval Combat Form**

The widespread use of information technology will make the naval battlefield more transparent, increasing the threat to all surface ships and planes in naval operations, the threat of which will be all-dimensional and multilevel. But as to underwater submarines, the threat will be much less than that to surface combat platforms. Technically, it is particularly difficult to make "transparent" the vast seas where submarines are likely to be operating at depths of hundreds or even thousands of meters. So submarines can remain stealthy, performing combat missions in line with intelligence data provided by command posts to strike fixed land

targets, as well as operating stealthily undersea at great depths for long periods of time without being dependent on command posts. This means that the great stealthiness and power of submarines will have very bright prospects. In fact, as submarines that operate underseas will be a constant and ever present threat even without striking, they will play an enormous role in future information war, with underwater strikes becoming a key means of naval-unit attack.

### **E. Digitized Naval Warfare Blurs the Lines Among Strategy, Battles, and Tactics, Blending Them Into One at Times, To Make for Richer Tactical Substance**

So-called naval battlefield digitization refers to the use of digitized communications and information systems, including computer data processing systems and various terminals, to link up all combat platforms, every unit, and even all service arms and troop units on the naval battlefield, establishing a digitized [C&C] chain among them, to accurately and quickly provide all parties with the needed information. On the digitized naval battlefield, on the one hand many battlefield conditions will be transparent, with both sides' highly valued equipment, military bases, and communications, command, and economic centers entered into combat data bases, to become targets of precision strikes by naval weapons. And on the other, naval war weaponry is becoming longer-range, more precise, and more powerful. So on the future naval battlefield, it will be possible at times for a single tactical operation to meet battle and even strategic goals. Many U.S. Navy ships now have a dual strategic and battle [tactical] strike capability. This capability will blur the lines among strategy, battles, and tactics, at times merging them into one, to change the mode of naval operations. The change will be seen in three areas: 1) Offensive nuclear submarines will perform strategic missions. 2) Surface ships will make long-range shore strikes. 3) Cruise missiles and carrier-based aircraft will conduct coordinated operations. And as the change in naval tactics intensifies, tactical categories will obviously increase, with tactical operations growing more flexible, and tactical theory also being enriched.

### **F. The Enemy Information Network Becomes the Key Attack- and-Destroy Target**

In the Gulf War, while there was certainly not much of an equipment and materiel gap between the Iraqi army and the multinational force, the battlefield was certainly one-sided. The critique of future studies expert Alvin Toffler is that: "The Gulf War was a test of two military systems. Particularly once most of the Iraqi army's

radar and monitoring equipment was rendered ineffective, the Iraqi army became a conventional military machine. Such a machine is at the second-wave [industrial revolution] technological level, being powerful but slow." And on the same principle, while focusing on developing information war systems, the Western nations have also been growing ever more uneasy about certain of their increasingly evident shortcomings. U.S. military circles have recently rethought the information-war advantage, holding that computer systems and communications networks are extremely subject to enemy destruction, posing a severe threat to their side. And the rapid increase in information systems can also provide the enemy with many attack targets. So the U.S. Defense Dept has invested one billion dollars to protect its information system, setting up an information defense network, to keep all data secure. And many military colleges are providing computer security training. A new troop unit — the computer defense unit — is now being conceived. In coming naval warfare, destroying the enemy's information network, to seize the information high- ground and control the naval war initiative, will be particularly important. And there are many ways to destroy information networks. For instance, smart weapons can strike all enemy radar and radio stations, electronic warfare can be used to jam enemy communications equipment, with firepower concentrated to strike enemy communications centers and facilities and naval command ships, electromagnetic pulse weapons can be used to destroy enemy electronic systems, and computer viruses can even be used to destroy all enemy computer software.

#### **G. Future Naval Warfare Puts More Emphasis on Joint Operations by All Troop Units in Every Service Arm**

To meet the need of coming wars, driven by the new military revolution, the army, navy, and airforce troop unit structure and even their headquarters will grow more alike in many areas, with joint-service command and communications becoming gradually integrated, weaponry growing largely interchangeable, and logistics support becoming integrated. In future warfare, global land, sea, air, and electromagnetic space will be linked by information systems into a huge network, providing army, naval, and air operations with real time and accurate technical support, with the existing difficulties in and obstacles to joint three-arm operations being better resolved. Navies are emphasizing joint operations with other service arms, sharply improving their capability to strike in-depth land targets, so that sea-to-land strikes will become a general development direction of naval operations. And meanwhile, in both blue water and offshore operations, the navy is growing ever more

dependent on army, airforce, and even future space force support. All of which is opening up broad prospects for naval participation in joint operations. While the U.S. Navy had always considered itself to be "overweening," since recent local wars, it also holds that joint operations are the key to victory. No single service arm is able to independently perform a campaign class operation, with every service arm on the battlefield needing a spirit of unity and cooperation, to bring the respective advantages and capabilities of air, land, sea, and space units into full play. The U.S. military has now set up a sea, land, and air applications center, organizing its airforce, army, and navy to draw up diverse joint operational technologies and tactical C&C procedures.

#### **II. The New Military Revolution Brings Overall Naval Optimization, Sharply Raising the Navy's Comprehensive Operational Capability**

A. As to military technology advances, the technology group dominated by information technology is steadily improving naval combat capability. 1) Single ship and unit offensive-defensive capability, single unit coordination capability, and inter-unit joint operations capability are all growing sharply. As to a single naval combat platform, since it can acquire rapid and accurate intelligence data, as well as quickly exchanging it both vertically and laterally, it has improved rapid-response capability and firepower precision, for obviously better combat performance. And as to coordinated naval operations, with submarine, aircraft, and surface ship communications systems being linked up, mutual information transmission problems being solved, and the current joint operational difficulties and problems within and among units being overcome, all combat platforms can be effectively linked into one operating entity, to strike enemies with maximum combined force. 2) Ship communications and navigation capabilities are improving. That will further extend into the blue sea the operating radius of all naval combat platforms, enabling certain countries to expand their naval operations from offshore into the medium- and long-range blue sea, adjusting their operating mission from near-shore to the deep blue sea, and shifting their defense posture from land to sea. 3) Materiel capability is drawing on information technology to play a leading role. The combat capability of informational naval combat platforms is calculated not by their capability in releasing weapons hardware alone, but rather by "hard firepower + information might." The U.S. NAVY TIMES estimates that digitized units have three times the combat capability of conventional ones.

B. The change in naval combat theory and concepts is bound to make the operational deployment of naval

force more effective. The key to bringing into full play the potential of naval combat platforms and weapons systems is to combine combat concepts and technologies, suiting them to each other, so that the concepts become a complete theory. As setting forth a correct combat ideology is bound to maximize the application and expression of naval technical achievements, it will raise the navy's combat capability. Future naval operations theory and concepts are bound to more boldly abandon outdated and backward parts, replacing them with new and improved substance, to better meet the needs of naval construction and operations. That will make the naval establishment and its troop utilization more effective.

C. The navy's pursuit of a high-quality construction [force-building] direction in the tide of the new military revolution will provide a solid material basis for the navy to improve its comprehensive [overall] combat capability. To meet the needs of information warfare, all major naval powers are now starting to adjust their naval establishments, with their steps and development trends being mainly as follows: 1) Personnel reductions. This involves mainly land and administrative personnel, with a sharp reduction of outdated weaponry, and a focused investment in high-tech weaponry to turn the navy into a genuinely crack-weapons service arm. 2) Dismantling of functional duplication and sectors with no existing value. As the future navy will likely have neither fleet nor base organs, we need to reduce as much as possible intermediate links from top to bottom, to raise our command efficiency. 3) The addition of new sectors. For instance, coordination sectors for the navy and other service arms. 4) Optimization of the naval command system. Certain land and shore-based command organs are likely to be shifted to sea, with the naval command system tending to be flatter and more networked. 5) Base troops are likely to be of mixed composition, made up of units such as surface ships, air units, and submarines, to improve the peacetime joint-training level and wartime overall combat capability. Just as it is predicted, the mutual role and impact of the organic combination of new technology utilization, new operational thinking and concepts, and the new establishment are bound to push the navy's combat capability to new heights. This improved combat capability will be seen at least in the following six areas: 1) The killing force of combat weapons. 2) The survivability of ships and planes. 3) The survivability of command systems, and command flexibility [speed] and real timeliness. 4) The deployment capability of naval combat platforms. 5) The joint operations capability with units in other service arms. 6) The joint operations capability of naval units.

### **III. The New Military Revolution Changes the Military Force Structure, with the Navy Growing in Standing, and Naval Construction Becoming the Force-Building Priority**

Driven by the new military revolution, the armies of all countries are undoubtedly moving in the direction of less quantity and more quality, acting in line with the principle of "reasonable and adequate deployment" to reduce their military size and draw up a cross-century force-building plan. A prominent feature of this force-structure adjustment is an increased naval and airforce ratio, further raising the standing of the navy and airforce, and making naval construction a force-building priority. In the early 1990s, the United States reduced its army by 224,000, its navy by 137,000, and its airforce by 79,000, consequently increasing the relative troop strength of its navy and airforce. And in its military spending allocation, it is also favoring the navy and airforce. In its defense budget for the 1995 fiscal year, naval spending ranked first. Britain started in 1990 to reduce its military establishment, cutting its army, navy, and airforces in a ratio of respectively 19 percent, 14.9 percent, and 19.6 percent, with the naval reduction being the lowest. And France's planned cutbacks are also mainly in its army and airforce. Certain countries around China are also converting to an emphasis on naval construction. For instance, South Korea has raised the ratio of its navy to its three service arms from 5 percent to 10 percent, drawing up a target to build its navy into a "blue sea navy." Vietnam has sharply reduced its army, while raising its naval troop-strength ratio to its three service arms from 6 percent to 9 percent. And Malaysia has drawn up a plan for priority naval development, planning by the year 2000 to have built a modern navy that is superior to those of other Southeast Asian countries. So it could be said that with most countries cutting back their military personnel, while emphasizing the priority of naval construction, this is bringing a fundamental change to the military structure.

A crucial feature of the building of stronger naval quality by all countries is the improvement of their contingency mobile operations units. In the force makeup of contingency mobile operations units, naval forces hold the decisive position. The U.S. contingency mobile operations units include carrier battle groups and amphibious assault ships. And Britain's naval taskforces and Japan's "8 \* 8" fleets are both mostly contingency operational forces.



#### **IV. The New Military Revolution Changes the Mode of Operations, Bringing the Need To Develop Naval Weaponry To Win the Information War**

During the age of cold steel, the navy's main mode of operations was the mutual ramming of ships. By the firearms era, the navy's major mode of operations was artillery engagements within the field of vision, in which the two most fundamental technical essentials of firepower and mobility played the decisive role. By the early part of this century when we entered the mechanized period, ship propellant technology had brought the speed of displacement ships near to its physical limit, with the focus of naval technical competition being on the pursuit of the firepower advantage. And the development of nuclear technology also brought the capability of naval firepower (naval nuclear might) to its "peak." But the current new military revolution is infiltrating and radiating into all aspects of the naval establishment, being certain to bring further weaponry change to the state of war, the form of operations, and tactical operating clashes. And this change is mainly not an attempt to create new ships and planes with amazing destructive power and speed, but rather a shift from winning the hard weapon firepower advantage to winning the information superiority in coming information wars.

The first requirement to win an information war is to build better ship and plane "soft" systems," including ones such as reconnaissance [spy], monitoring, communications, navigation, and meteorological systems. The priority development of such systems will create the terms for winning the information war, thus gaining the information superiority, to first control the enemy, while raising one's own survivability. In information war, the operating performance of ships, planes, and weapons hinges largely on the quality of their soft systems. Without the support of such soft systems, ships and planes are essentially incapable of performing their missions. All soft systems have become a key indicator of ship combat performance. So in the modern warship development process, all soft systems, particularly communications equipment, target detection equipment, and electronic warfare systems, are growing not only ever more numerous, but also increasingly complex, to become the key components of weapons systems. The U.S. Navy, when designing and building navy vessels, gives priority consideration to electronic equipment, equipping many of its ships with electronic jamming units to increase their defensive capability. Tactical intelligence data systems are comprehensive operating systems that the U.S. Navy has developed to a high degree of perfection on most of its surface ships. They not only can direct all weapons operations of a ship, but also can use data links with other ships in the fleet to coordinate and

command the weapons control systems of friendly ships and planes. Such comprehensive [multipurpose] operating systems can link the whole establishment together. So we can predict that the naval C<sup>3</sup>I system grounded in satellite and computer technology will become the priority of soft systems development in the tide of the new military revolution, as well as being linked up and made compatible with airforce and army C<sup>3</sup>I systems.

To greet the arrival of information war and the age of information warfare, all naval weapons development will take the path of smarter and more precise. Such weaponry includes smart missiles, smart shells, and smart torpedoes. Missile weaponry is the key war weapon not only of modern naval warfare, but also of coming naval information wars and information warfare. So it can be said that the features and laws of missile warfare will dominate the development direction of naval warfare for a very long time to come. The world now has over 120 types of missiles in naval operation, and these missiles will widely use information processing technology to grow steadily smarter and more precise. Antiship missiles will develop in directions such as sea-skimming [minimum altitude], supersonic, precision guided, and antijamming, while air defense missiles will develop in the direction of dual air defense and antimissile functions, with complete long, medium, and short range and high, medium, and low altitude capabilities. These will sharply raise the strike precision of weapons, giving naval combat operations a fully smart flavor.

All naval combat-platform development will show certain new features, two of which will be more prominent: 1) Stealth technology will be widely applied. On the digitized naval battlefield, as all naval combat platforms will be faced with ever growing threats of monitoring, detection, and attack systems from space, air, land, sea, and undersea, good stealth features will obviously be particularly crucial for ships and planes. So developing and applying stealth technology, to make all naval combat platforms more stealthy, would seem to be particularly urgent. And the matter has aroused the attention of the navies of all countries. 2) Submarine units will be emphasized and developed. In contrast to other naval weapons, submarines are stealthier. As to whether the next step in the development of information detection technology will be to effectively detect underwater submarine activity, that remains very hard to say. And even if such technology is developed to a certain degree, it will still have much less impact on the stealthiness of submarines than of other naval combat platforms. In addition, as submarines have great power in making underwater surprise attacks, and play a sharp deterrent role, stressing the development of submarine units, to keep them at the necessary size, is a key di-

rection of naval equipment construction. The navies of all countries will act in line with their countries' international and surrounding environments and national conditions to choose ships for priority development that their countries urgently need. While large nations will focus their naval development on carriers and amphibious ships, and medium and small ones will stress the development of destroyers, corvettes, and minesweepers, submarine development will be a universal priority. Certain countries and regions around China have made submarines their naval purchase and development priorities. For instance, South Korea is buying 11 submarines from Germany, Indonesia is increasing its submarines from three to five, Australia plans to build six subs, and Malaysia, Singapore, and Thailand are now organizing submarine units. Since the Cold War, while Russia and the United States have been generally cutting back their submarine fleets, they are in fact both still modernizing them, so that their overall combat capability does not suffer from the scale reduction. So we have grounds for concluding that, while the battleship played the dominant naval role in World War I, and the carrier did in the Second World War, if another large-scale global war occurs, the dominant naval weapon will be the submarine. In addition, the navy and other service arms will also focus on developing and producing certain new weapons such as directional [oriented] energy, infrasonic sound wave radiation, high-energy electromagnetic wave, and computer virus weapons, better adapting to the needs of information war, to raise both the soft and hard killing capability of their naval weaponry.

#### **V. The New Military Revolution Puts Higher Demands on Naval Personnel Quality, Requiring Intensified Personnel Development and Training**

One naval construction demand and direction will be "specialized control" and "expert deployment."

The development and widespread military application of information technology will require better quality naval personnel with more specialized knowledge. Technical development will not replace human wisdom. And while the new technological revolution will multiply naval combat capability, that will hinge in the final analysis on personnel quality. As the navy is a knowledge and technology intensive service arm, sailors must have diversified and solid basic knowledge. As new weaponry and combat command systems are steadily deployed, they are placing ever higher demands on the literacy and specialized knowledge of servicemen. To raise their personnel quality, the navies of many countries are steadily intensifying their personnel development and training, conducting regular job exchanges, and requiring their servicemen to familiarize themselves with the condi-

tions of other troop units, sectors, and specialties, to achieve multicapabilities. A military officer needs not only to be capable of commanding in high-tech warfare, having a good command of the knowledge of his own troop unit and service arm, but also to have some grasp of the knowledge of other units in each service arm, to be good at coordinating the operations of all units in each service arm on the fast-changing battlefield.

To shorten the gap between training and live combat, the training of sailors will be done generally in the future through computer simulation systems. Such systems emphasize the naval battlefield, enabling units to better understand the conditions of information wars and information warfare. Without having to concentrate naval units in all bases and ports, it is possible to conduct coordinated training with simulation equipment, so that navy planes can practice coordinated missions taking off from different airfields, and ships can drill in mutual coordination and support capability. Such simulation drills can replace to a certain extent large-scale live exercises, conserving human and material resources, to effectively raise the technical level and command skills of sailors.

While we used to say that an illiterate military was a dumb one, impacted by the tide of new military revolution, we could say that a military without technical knowledge is one without hope. Future sailors will be made up mainly of scientists, engineers, and technicians. A navy armed with information technology will need large numbers of specialists in areas such as computers, information engineering, and satellite technology. So with the navy becoming a concentration of our society's more literate and higher-tech members, "specialized control" and "expert deployment" will become an inevitable demand of the new military revolution on naval force building.

#### **PRC: Convicts Sentenced at Xinjiang Public Sentencing Rally**

*OW1407084096 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 11 Jul 96*

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] Yesterday, the Urumqi County People's Court held a public sentencing rally in (Gangong) township on the southern suburbs of Urumqi to hear, in accordance with the law, 12 cases in which Yang Hu, Ma Jinguo, Tsai Aizhi, and 13 other defendants committed robbery, theft, and intentional homicide. [video shows a dozen or so men walking under police escort, cutting to show a female officer reading



verdicts at an outdoor rally attended by hundreds of people]

(Gangong) township, which is located on the southern outskirts of Urumqi, is a township specializing in live-stock farming in Urumqi County. To deter criminals and make peasants and herdsmen more conscious about legal affairs, the Urumqi County People's Court systematically held public sentencing rallies in suburban townships and towns during the strike-hard struggle, thus playing an educational and deterrent role, raising the sense of security of peasants and herdsmen, and protecting the property of the state and collectives and the property and lives of individuals. Close to 500 peasants and herdsmen in (Gangong) township attended the public sentencing rally.

**PRC: Shandong Holds Conference on 'Malpractice' on Highways**

SK1007051396 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Jul 96

[FBIS Translated Text] On 9 July, at the provincial telephone conference on public security organizations' work on checking the arbitrary imposition of service charges, collection of illicit fees, and random installation of checkpoints on highways, Meng Qingxiang, director of the provincial public security department, pointed out: By the end of this year, the province should basically eliminate the arbitrary imposition of service charges, collection of illicit fees, and random installation of checkpoints on all provincial and national highways. It is learned that the provincial public security department recently organized a team to conduct a thorough inspection on key road sections in 13 cities and prefectures and [words indistinct] counties, cities, and districts. As a result, a number of typical cases have been revealed, and the cases informed by the masses have been handled in a timely manner. Public security organizations throughout the province have investigated and handled 16 cases on these three types of malpractice, meted out punishment to nine people, and [words indistinct] fines and service charges. At the same time, the provincial public security department further defined the limits of [words indistinct]. Except for the traffic police, all other units and individuals are not allowed to check on vehicles on highways.

The conference demanded: Based on the existing achievements, all public security organs in the province should further strengthen inspection to basically wipe out these three types of malpractice on provincial and national highways to make new contributions to the province's reform, opening up, and economic construction.

**PRC: Shandong Achieves Results Against Narcotics-Related Crimes**

SK1207044696 Jinan DAZHONG RIBAO in Chinese 26 Jun 96 p 1

[FBIS Translated Text] Public security organs throughout the province have mobilized all the forces of society to deal stern blows to activities concerning narcotics-related crimes, yielding remarkable results.

Since the beginning of 1991, the province as a whole has cracked 584 narcotics-related cases, tracked down and seized a number of criminals committing narcotics-related crimes, captured 117 kg of opium and more than 600 grams of heroin, and ferreted out and seized nearly 100 drug addicts. As a result, the spreading trend of narcotics-related crimes has been effectively checked in Shandong.

Since the beginning of the campaign against serious crime, public security organs in all localities of the province have further increased the dynamics of dealing blows to crimes, thus cracking a number of major and serious cases as regards the manufacturing and trafficking of narcotics. The Jinan Public Security Organ cracked a serious heroin trafficking case, capturing 2 suspects and 193 grams of heroin. The Qingdao Public Security Organ, based on a report by the masses, smashed a major narcotics trafficking gang, seizing 17 suspects, more than 30 grams of heroin, and 5,400 pieces of hydrochloric acid dihydrogen atrophine [7770 6808 0059 8641 1002 2094 0803].

Through the crackdown on narcotics-related crimes and the comprehensive management of the social order, the number of narcotics trafficking and addiction cases in the province has decreased in general; however, narcotics outside the country have harmed the province more and more and new trends have emerged in narcotics trafficking. These trends are: First, cases of narcotics trafficking have increased. Second, cases on stealing and selling state-controlled anesthetic and mental disease drugs have emerged prominently, thus bringing hidden troubles to society. Third, the number of seized narcotics addicts has increased continuously. In light of these trends, public security organs throughout the province will continue to profoundly organize and launch the special struggle against narcotics-related crimes.



**PRC: Drug-Related Criminals Executed by Shooting in Gansu***SK0907064396 Lanzhou GANSU RIBAO in Chinese 26 Jun 96 p 1*

[By reporter Zhang Zhigang (1728 1807 0474)]

[FBIS Translated Excerpt] The reporter learned at the 25 June news conference of the provincial Higher People's Court that on the occasion of the "26-June" International Day for Banning Drugs, all localities across the province are going to pass capital punishments to a large number of drug-related criminals guilty of the most heinous crimes and serious criminal offenders and to execute them by shooting.

After the first open trial of the province-wide "severe crackdown" struggle, which was held in mid-May, all levels of courts across the province conscientiously implemented the decision of the provincial party committee and the government on deepening the special struggle against drugs; focused the attack on drug-related crimes; and heavily and rapidly concluded a large number of drug-related criminal cases and some serious criminal cases. Through the second trial, the provincial Higher People's Court concluded 16 drug-related cases involving 77 people and 81 major criminal cases involving 181 people. Capital punishments, death penalties with a stay of execution, and life imprisonments were imposed on 173 criminals. Some of the criminals who had been sentenced to death were executed by shooting in Baiyin, Jinchang, Wuwei, and Jiayu a few days ago. The rest of them, including 32 drug-related criminals guilty of the most heinous crimes, will be sentenced in public and executed by shooting in Lanzhou, Tianshui, Dingxi, Longnan, Linxia, Qingyang, Pingliang, Wuwei, Jiuquan, and the Lanzhou Railway Intermediate Court, respectively. [passage omitted]

**PRC: Hubei Announces Anticorruption Results for Jan-May***SK1007022096 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 9 Jul 96*

[FBIS Translated Text] The provincial procuratorial organs focused efforts on investigating and handling major and appalling cases, and pushed anticorruption struggle to develop in depth. From January to May, they accepted 3,548 economic cases concerning corruption and bribery, and 1,136 cases were put on file for investigation, with 1,259 people involved. Through their efforts, a total of 94.26 million yuan in economic losses was recouped for the state and the collective.

**PRC: Hubei Smashes Den Dealing in Counterfeit Banknotes, Gold***SK0907014796 Wuhan HUBEI RIBAO in Chinese 22 Jun 96 p 1*

[FBIS Translated Text] At 0400 on 19 June, nearly 100 public security cadres and policemen, as well as armed police fighters in Xiaogan City, launched an attack at Yangjiawan Village in Yingcheng City's Langjun Town, seizing 13 criminals dealing in counterfeit banknotes and reselling processed gold at a profit. They captured a number of gold refining instruments and some illicit money. However, a dozen suspects escaped.

Yangjiawan Village is located on the border of some counties. In recent years, many persons have engaged in the illegal activities of selling counterfeit banknotes or reselling and manufacturing gold and silver jewelry at a profit. While handling cases in this village, public security organs came under attack from all sides on many occasions, thus causing the investigations to be suspended for a time.

On 28 May, after launching the campaign to severely crack down on serious crime, the Xiaogan Public Security Bureau seized four dealers of counterfeit banknotes in Wuhan and ferreted out 20,000 yuan of counterfeit banknotes on the spot. All these counterfeit notes were from Yangjiawan Village. According to the acquired information, public security organs meticulously organized a large-scale, sudden, and violent attack at this village on 19 June, successfully smashing a particularly big den of lawbreakers and criminals.

This case is now under further investigation and handling.

**PRC: Liaoning's Xiuyan Confiscates Firearms, Dynamites***SK0907060696 Shenyang LIAONING RIBAO in Chinese 22 Jun 96 p 4*

[FBIS Translated Text] During the period of severely cracking down on serious crimes, in line with its local conditions, the Xiuyan County Public Security Bureau has scheduled a month to launch centralized activities to confiscate guns and dynamites throughout the country. Up until now, it has confiscated 6,616 air guns, 645 illegally possessed firearms, 175 bullets, 643 kg of dynamites, 2,048 detonators, and 3,176 meters of blasting fuse. It has also detained 156 criminals. As a result, the factors endangering social order have reduced to a great extent.

**PRC: Nine Criminals Executed by Shooting in Ningxia's Yinchuan**

*SK0907061996 Yinchuan NINGXIA RIBAO in Chinese 20 Jun 96 p 1*

[FBIS Translated Excerpt] On 19 June, Yinchuan City held the second large-scale open trial since the launching of the campaign against serious crimes. The Yinchuan City Intermediate People's Court announced judgments according to law on 34 persons involved in 18 cases. After the trial, nine criminals were executed by shooting.

Among the cases tried this time, 11 persons involved in 8 cases were pronounced guilty by the first trial, of whom, six were sentenced to death and three were sentenced to death with two years' probation. And, 23 persons involved in 10 cases were pronounced guilty by the final trial, of whom, nine were sentenced to death and three were sentenced to death with two years' probation. All of these persons were guilty of serious criminal offenses, and seven of them committed the crime of intentional homicide. [passage omitted]

**PRC: Lanzhou in Gansu Province Executes Narcotics Traffickers**

*SK1207044596 Lanzhou GANSU RIBAO in Chinese 27 Jun 96 p 1*

[FBIS Translated Excerpt] On the morning of 26 June, Lanzhou held an open trial at Lanzhou Gymnasium, at which the Lanzhou Intermediate People's Court and the Lanzhou Railway Transportation Intermediate Court sentenced 18 serious narcotics traffickers, including Yang Xin and one robber, to death with their political

rights deprived for life, and sentenced 28 narcotics traffickers and robbers, including Li Yu, to death with probation, life imprisonment, and fixed terms of imprisonment. At the trial, 39 offenders who had committed narcotics-related crimes and serious criminal cases were arrested according to law; 19 criminals sentenced to death were escorted to the execution ground for execution by firing squad. [passage omitted]

**PRC: Tianjin Sentences Ten Robbers of Taxicabs to Death**

*SK1207122396 Tianjin TIANJIN RIBAO in Chinese 26 Jun 96 pp 1,2*

[By correspondents Wang Liquan (3769 4539 5028) and Gong Tao (1362 3447)]

[FBIS Translated Excerpt] On the morning of 25 June, the Tianjin Municipal Higher People's Court held an open trial to strictly punish robbers of taxicabs. Fan Chunming, vice president of the municipal higher people's court, served as the judge and announced the final judgment for criminals, including Duan Keqiang, Zhao Guoxiang, Xie Chengjun, Zhang Yingshan, Shen Baozhen, Zhao Lianhui, who were guilty of robbing taxicabs. The aforementioned criminals were sentenced to death and deprived of their political rights for life.

Zhang Baifeng, president of the municipal higher people's court, issued the order of executing the death sentence. After the trial, 10 criminals, including Duan Keqiang, were escorted to the execution ground for execution by a firing squad. [passage omitted]

**PRC: Official: Political Talks Needed in Cross-Strait Relations**

*HK1507075696 Hong Kong WEN WEI PO in Chinese 14 Jul 96 p A1*

[Dispatch by staff reporter Tseng Shu-wan (2582 2579 8001): "Authoritative Person in Beijing Analyzes Cross-Strait Relations, Saying Political Talks Become Practical Need"]

[PTS Translated Text for FBIS] Beijing, 13 Jul—An authoritative person here pointed out: For the two sides of the Taiwan Strait to hold talks on ending the state of hostility and on other political issues of mutual concern under the principle of one China is a practical need in cross-strait exchanges but the recent attitudes of the Taiwan authorities have aroused people's suspicion of their sincerity over this issue. He stressed that no matter how cross- relations stand, promoting nongovernmental exchanges is our consistent principle and that there will be many mutual visits by delegations or teams between the two shores during the summer holiday.

The official said: Having been separated for several decades, the two shores are currently still in a stand-off situation. It is distressing that the Taiwan military and police should fire at mainland fishermen from time to time, resulting in bloody incidents. In the course of discussing routine matters between nongovernmental organizations, it is inevitable that both sides should touch on political issues, making it hard to proceed with the talks. To resolve these issues, it is necessary to sit down and talk.

He said: Through many discussions on routine matters, the Association for Relations Across the Taiwan Strait and the Straits Exchange Foundation have reached agreement on some topics but not on others because most of them are related to political issues. These issues, such as a joint crackdown on crimes, repatriation of people illegally entering the other side, fishery disputes, trade dispute arbitration, and examination and verification of documents, cannot be evaded because they are related to a country's judicial administration.

He stressed: It is our consistent stand to remove differences and achieve national reunification through political talks. In his eight-point proposal, President Jiang Zemin proposed that talks be initiated and an agreement be reached on "officially ending the state of hostility between the two sides of the Taiwan Strait under the principle of one China." This proposal reflects the sincerity of the central government. When cross-strait relations were soured and the Chinese People's Liberation staged large-scale military exercises on the Taiwan Strait, out of pressure, the leaders of the Taiwan

authorities made a response to this proposal of President Jiang Zemin's.

The official in charge of Taiwan affairs said: Just as the central government is urging the Taiwan authorities to work out a practical plan for talks on ending the state of hostility between the two shores or on other political issues, we note that in recent discussions on cross-strait relations the leaders of the Taiwan authorities refuse to say anything about ending the state of hostility between the two shores, thus arousing people's suspicions on the sincerity of the political talks.

Talking about cross-strait exchanges, the official pointed out: It is our consistent policy to promote cross-strait nongovernmental exchanges. This work will be further strengthened in the future. He disclosed that over the past 10 years, some 9 million Taiwan compatriots have visited the mainland on various occasions.

It is learned that during the summer holiday, cross-strait exchanges have been brisk. A 42-man delegation of the 13th Taiwan Youth Summer Camp will arrive in Beijing today. The delegation, from the Taiwan University, the Normal University, Chengchi University, and Tamkang University, is headed by Chin Hung-wen, secretary general of Taiwan's Alliance for the Reunification of China and will conduct its activities in Beijing, Nanjing, Huangshan, and Shanghai for 13 days. Next week 15 young table tennis players mainly from the Hsinchu [Xinzhū] area will arrive in Shijiazhuang for training and competition. Next month more than 50 students from Taiwan will go to the mainland to take part in academic discussions and exchange activities conducted by medical college students from both shores. Apart from students and teachers, some public figures and mass organizations will also exchange visits. The executives and supervisors of the Kaohsiung [Gaoxiong] City Federation of Trade Unions will visit Shanghai and Beijing and a Taiwan women delegation will visit Beijing; the mainland's "little angels" plan to visit Taiwan in the near future and people from the business circles are also considering going to Taiwan for a visit and an inspection.

**PRC: ARATS Official on Transfer of Chiang's Remains to Mainland**

*HK1507055296 Hong Kong WEN WEI PO in Chinese 15 Jul 96 p A2*

[Report by Li Hsiao-bing (2621 4562 0393) and Liu Wei-chong (0491 0251 0112): "Tang Shubei Says Time Not Yet Appropriate to Discuss Transfer of Chiang Kai-shek and His Son's Coffins to Mainland"]

[PTS Translated Text for FBIS] Beijing, 14 Jul (WEN WEI PO)— Tang Shubei, executive vice president of the



Association for Relations Across the Strait [ARATS], said that the time is not yet appropriate to discuss the question of transferring the coffins of Chiang Kai-shek and his son to the mainland and burying them in their hometown. He said Mr. Liao Chengzhi once mentioned the matter when he wrote to Chiang Ching-kuo a long time ago. According to the letter, Liao Chengzhi said, "Following reunification, (the coffin of Chiang Kai-shek) should be buried in his homeland."

While attending the panel meeting of the Preparatory Committee for the Hong Kong special administrative region today, Tang Shubei was asked by reporters about the question of Taiwan's plan to transfer the coffins of Chiang Kai-shek and his son to the mainland. Tang replied that he personally believed that it was not appropriate to discuss the matter at this moment.

When, then, will it be appropriate to discuss the matter? Tang said: "The matter was mentioned in Mr. Liao Chengzhi's letter to Mr. Chiang Ching-kuo in 1982. You can have a look at the letter."

As to the question why has Taiwan raised the question at this moment, Tang Shubei replied: "You had better ask Taiwan."

When asked about Li Teng-hui's recent remarks, expecting exchange visits between leaders across the strait in

the future, Tang Shubei questioned: "What does he (referring to Li Teng-hui) mean by future? The future of the 21st century?"

Editor's note: In Liao Chengzhi's letter to Chiang Ching-kuo written on 24 July 1982, there was a passage on transferring the coffin of Chiang Kai-shek to his hometown on the mainland, which said:

After reading your letter, I was deeply moved at your remarks "earnestly expecting your father's coffin to be transferred to the mainland and be buried with his ancestors in the hometown. To fulfill your filial piety, I suppose your father's coffin should be moved from Cihu and be buried in his hometown or in Fenghua, Nanjing, or Lushan after reunification. You once said that you would "turn your filial piety to national feelings and extend your love to the nation and dedicate yourself to the state." Why not put these true and well said words into the practice of the grand cause of reunification! Regarding the state and nation, the two generations of the Chiang's have justified themselves to history. As to yourself, you have been loyal and filial. Otherwise, how would you account for yourself after you pass away? I hope you would think about the matter carefully.

**Taiwan: Li Teng-hui Speech at National Assembly**  
*OW1307112996 (Internet) Office of the President of the Republic of China WWW in Chinese 13 Jul 96*

[Speech given by Li Teng-hui to the First Session of the Third National Assembly on 11 July: "Report on the State of the Nation"; from the "What's New" link]

[FBIS Translated Text] The content of the president's report is as follows:

The First Session of the Third National Assembly already opened solemnly on 4 July. Today, I, Teng-hui, in the capacity of the ninth president of the Republic of China [ROC], have come to make a report on the state of the nation to you delegates. I feel greatly honored by this. Delegates have always been concerned about state affairs and are enthusiastic about serving the people. I, Teng-hui, especially want to take this opportunity to extend the highest regards to you.

In the overall world situation, bipolar confrontation no longer existed as of the end of the Cold War, and ideological conflicts have become something of the past. In the new international order, which is rapidly taking shape, stressing freedom, promoting democracy, and respecting human rights are part of a creed commonly observed by the international community; the global economy advancing toward a high degree of liberalization and regional economies strengthening alliance and cooperation will be the general trend of events; and the world civilization will also constantly blaze new trails and make new progress because of vitality injected into it by these changes.

In recent years, the ROC, through the concerted efforts of all the people, has accumulated rich fruits of construction; this has been widely affirmed and has attracted the broad attention of the international community. In particular, the accomplishment of direct popular elections for the president and vice president in March 1996 has opened up a brilliant, new page in the history of the ROC. Today, standing at a new starting point of history and facing the new international order, we must continue to promote internal reforms, implement the idea of popular sovereignty, and consolidate the sense of an interdependent community with new ideas, new determination, and new accomplishments. Only in this way can we meet the challenges of the times and stride proudly ahead into the 21st century.

#### **I. Lay a Foundation for the Rule of Law**

A democratic constitutional government is inseparable from establishing the rule of law. All advanced democratic countries rigorously practice the rule of law and

regard it an important basis for defending the democratic system and social order.

During my term of office over the past six years, I, Teng-hui, have always thought about and worked to promote constitutional reform and have hoped to enable the government structure to meet the needs of the development of the country. During this period, the constitution was amended on three occasions during the First and Second National Assembly, and the powerful effects of these reforms have enabled our country to become a truly democratic country.

The goal of promoting democratic reform is, of course, to kindle enthusiasm for personal freedom; the establishment of a democratic structure is to seek harmony of the whole. Therefore, in promoting democratic reforms, a precondition must be the implementation of the spirit of the rule of law; and in practicing a democratic constitutional government, the foundation must be perfecting the establishment of the rule of law.

In establishing the rule of law in detail and at a deeper level, we must not only regard perfecting laws and regulations as the key, we must also take the stand of the people, understand their feelings, protect their legitimate rights and interests, and realize their expectations for justice. Therefore, in the process of both legislation and law-enforcement, we cannot consider matters simply from the position of the government, but should regard the people as the starting point in order to rebuild the people's confidence in the rule of law.

To be specific, in judicial reforms, we must safeguard the independence of the administration of justice, improve the quality of judgment, and improve the efficiency of handling cases; in the reform of legal affairs, we must popularize education on the rule of law, revise the procuratorial system, ensure the protection of human rights, speed up the prison reform, and resolutely make up our minds to go all out to improve judicial conduct and discipline.

We eagerly hope that, through these reforms, which center around the "people," basic human rights as ensured by the constitution can be fully realized, the public trust and authority of the judicial system can become powerful weapons for safeguarding the democratic constitutional government and social justice, and our society can truly become a society with a modern civilization, in which both personal freedom and harmony of the whole exist.

#### **II. Make the Economy Prosperous in a Sustained Manner**

Economic development is an important target of government administration. For many years, we have, through

economic construction, greatly increased the national strength, improved people's livelihood, repaid the international community, and make concrete contribution to the prosperity and progress of the world.

In the second half of last year, because the stock and real estate markets were at a low ebb, and affected by communist China's military exercise in the Taiwan strait and financial incidents, domestic needs reduced and the economy remained depressed and weak. But as a result of the effective measures introduced by the government, the economy is gradually recovering now. In addition, developing countries in Asia continue to show a strong impetus in their economic development and the former Soviet Union's planned economy is being transformed, thus stimulating world economic recovery and improving world trade. This has injected vitality into the domestic economy, making us fully confident of the prospects of our economic development.

Let us review the international economic situation: The World Trade Organization [WTO] has been formally established; the Asia-Pacific Economic Cooperation conference ratified the Osaka Declaration and decided to implement a free action program next year; the seven ASEAN countries and American countries led by the United States may possibly form free trade zones separately in recent years. There are indications that all major economic regions around the world will gradually complete their trade liberalization in the 21st century, achieve a high degree of regional economic integration, and become low tariff, nonobstructive global villages.

To cope with the international economic development trend, we must expedite our economic liberalization and internationalization, actively remove investment obstacles, create an environment for open and fair competition, upgrade our industrial technology, and strengthen the international competitiveness of our industries. In the meantime, we must also take an active part in the WTO and expand pragmatic economic and trade relations in an omnidirectional manner, so that the Republic of China will become a constructive member amid international prosperity and development.

Economic development in the coming four years will decide whether we can achieve a per capita GNP of \$20,000 prior to the arrival of the 21st century and join the developed countries' ranks. For this reason, we must employ a more farsighted concept of policy and world outlook to build Taiwan into an operational center in the Asia-Pacific region and enable it to play a key role in the Asia-Pacific economy. In this way, we will be able to continue to carry out cross-century state construction and create bright prospects for state development.

### III. Improve the Social Welfare System

The development of social welfare has an important bearing on the people's happiness and harmony in society and is an important symbol of state progress. The government has always taken much account of this.

In improving the social welfare system, we must meet the masses' basic demands; we must constantly cope with changes in society and adjust the system in a timely manner. Therefore, on the one hand, the social welfare system must, in accordance with the government's ability to undertake the financial burden and based on social fairness and justice, make it possible for us to rationally distribute so the all the people can enjoy the achievements of economic development and improve the quality of their life; on the other hand, it must also extensively combine itself with the substantial resources and strengths of the people to make up for the government's inadequacy, so as to inject new vitality into the popularization of welfare.

For many years the government has carried out the principle of public welfare and actively promoted social welfare work. In the future, it will introduce a more prospective program and widen the scope of social welfare in coordination with the state's entire development. The government's future work focus is: Showing more concern for children's development, improving welfare for young and elderly people, giving consideration to low-income families, protecting the rights and interests of the disabled and handicapped, promoting equality in males and females, strengthening professional training, ensuring employment security, providing social relief, improving the insurance system, popularizing medical care, expanding voluntary service, and providing guidance for the small and weak groups of people.

Moreover, we must also implement the idea of the "community taking charge of social welfare" to deepen the social welfare system on the basis of family ethics and community care. Through family members' concern and care and with the community residents' mutual cooperation, family ethics will be vitalized, a community mentality will be formed, and a harmonious welfare society will be built.

Therefore, in the future our social welfare system will develop toward the establishment of a multi-tier service network comprised of families, communities, and the government, devoted to tapping government and civilian resources and implementing all social welfare measures, so that the entire people will genuinely enjoy the happiness of family life, and the state will stand in the ranks of modernized countries.



#### IV Consolidate National Defense Strength

National defense is the foundation stone of national security. A nation must possess a solid national defense to bring about a stable environment for development. If national security is threatened, there will be no assurance of political stability, economic prosperity, social progress, or the people's welfare. We have been able to engage in various national construction projects to achieve economic development and democratic politics in the past mainly because we have a strong national defense force.

Recently, the Chinese Communists continued to increase their national defense budget and arms expansion, in addition to threatening us with military force. This has seriously affected our national security and the people's lives. More still, it poses a great threat to the stability and prosperity of the Asia-Pacific region. To safeguard the security of Taiwan, Penghu, Kinmen, Matsu, and the Asia-Pacific region, we must strengthen national defense construction. We will have no fear of the Chinese Communists' armed threats and be able to ensure the region's peace and prosperity only by building up a powerful national defense force.

To efficiently raise the defense and combat capability of the army, we have made marked achievements over the past year in our efforts in the army's organizational structure, educational training, combat readiness, troop outfitting, and general mobilization. Meanwhile, we have successively installed second-generation weaponry and reinforced the army's overall strength in combat readiness. However, we must not neglect national defense buildup for even one day. Faced with potent threats from the Chinese Communists, in future we must still, in accordance with the needs of defense operation, accelerate reform and progress of the army. In addition, we must bring into play team efforts by bringing together the people's support to ensure national security.

#### V. Promote Cultural and Educational Development

Culture is the foundation of national construction and crucial to the fortunes of the people. The Chinese people's long history of 5,000 years is preserved by their fine culture. Due to its excellent geographical position and exceptional historical background, Taiwan has not only kept the characteristics of traditional culture, but also absorbed the essence of Western civilization to develop a thriving cultural life. In addition, it has injected new vitality for continued prosperity of the Chinese culture.

In recent years, we have more actively transformed the achievements of political and economic development

into the driving force for raising the quality of culture. Further, through the cultural development of society, we have devoted our efforts to regenerating and reconstructing the cultural field, eradicating the narrow concept of regional division and clans, and forging acceptance among social groups. Henceforth, we have established a sense of common entity of life [sheng ming gong tong ti 3932 0730 0364 0681 7555] for the nation among the people and strengthened the nation's cultural foundation.

To seek continued good civilization progress, we must further implement the richness of our culture in educational reform. Although we have made proud achievements in education, frankly speaking, there are still drawbacks. For example, we have over-emphasized the concept and design that is heavily inclined to school education format. Therefore, we have produced a rigid school education concept, a society that emphasizes paper qualifications in personnel recruitment, and abnormal development of the yardstick for measuring higher education. All these drawbacks need to be thoroughly solved through educational reform to bring about liberalization and diversification of education.

The international community will be increasingly interactive and interdependent in the 21st century. We must, therefore, educate the next generation so that they possess a broad international field of vision. Only then can we understand world trends and explore and develop our place among them [sheng cun kong jian 3932 1317 4500 7035]. We must comprehensively increase our manpower with a diversified educational system and implement the ideals of learning through life. Meanwhile, through the integration of social life and activities, we must carry forward the spirit of our native land so that the new generation will inherit the spirit of struggle in the development of Taiwan, we must incite in everybody a love of the native land, and we must welcome the future in full confidence.

#### VI. Comprehensively Develop Communications

Communications are the blood of the people's livelihood. In the times of the global village in which international communications are increasingly more and more convenient, good communications are crucial to the country's development. Therefore, we must, from macro angle, make forward-looking plans for the construction of various communications undertakings. Only in this way can we increase our international competitive power.

The construction of communications includes the fields of transportation, telecommunications, postal service, meteorology, and sightseeing. Among these diverse

fields, the major trends of development are internationalization and liberalization and the construction of basic networks for the development of the country. In order to promote the trans-century construction of the country, we are striving to carry out comprehensive communications construction, for example, energetically expanding international airports and sea ports, speeding up the construction of express transportation networks for the whole island, improving communications facilities of outlying islands, mountain areas, and areas on the eastern part of the island, promoting the basic construction of state information and telecommunications facilities, expanding digital networks that provide integrated services, completing the works introducing comprehensive computer on-line operations for postal savings and remittance, and constructing regional sightseeing facilities. Through strengthening the construction of communications, we hope to speed up economic development and improve the people's living standard.

To meet the needs of transportation and telecommunications in the 21st century, the construction of communications in the future should, in addition to continuing to promote the trans-century plan of the "Asia-Pacific Business Operations Center," the construction and operation of communications with the participation of non-government sectors will also be expanded in accordance with the spirit of the "Regulations on Awarding and Encouraging the Participation of Non-Government Sectors in the Construction of Communications." The government will make efforts to carry out the overall communications plan, formulate related rules, create a market for fair competition, join forces with non-government sectors to fully tap the potential of communications industries, and pave a broad road to the 21st century.

#### VII. Promote Cross-Strait Relations

For more than 40 years, the two sides of the strait have been under separate rules because of historical reasons. Separation over a long period has also produced, among compatriots on the two sides of the strait, ideological antagonism and a concept gap. How to put an end to this historical tragedy and seek national unification are objectives which we have never relaxed our efforts to achieve.

Since I, Teng-hui, was reelected as the President of the ROC, I have always been thinking of safeguarding peace in the Taiwan Strait and positive cross-strait interaction. Although our efforts have produced considerable results, twists and turns often occur in the cross-strait relations because the Chinese Communists have all along ignored the reality that the ROC exists and is developing in the Taiwan, Penghu, Kinmen, and Matsu areas. In particular, since the beginning of last year, in

order to deprive us of our space for international activities and to adversely affect the progress of our democratic development, the Chinese Communists have launched wave after wave of slander against me and conducted one military exercise after another in the Taiwan Strait. Fortunately, as a result of our taking the interests of the whole situation into account and exercising unrivalled restraint, no incident has occurred. However, such moves of the Chinese Communists have already damaged the progress of developing cross-strait peaceful relations.

Although the Chinese Communists are so unreasonable, our determination to seek peaceful national unification will never change and our efforts in this respect will not cease. Therefore, in my inaugural speech on 20 May, I, Teng-hui, specially stressed: "In future, if the country needs me to do so and if the people support it, I, Teng-hui, am willing to pay a visit of peace to the mainland of China, bringing with me the common understanding and will of the 21.3 million compatriots. Besides, in order to open up a new era of cross-strait communication and cooperation, and to ensure peace, stability, and prosperity of the Asia-Pacific region, I, Teng-hui, am also willing to meet with the highest leading authorities of the Chinese Communists to directly exchange views. I believe that our intention and sincerity will certainly gain the support of compatriots on both sides of the strait and I hope that the Chinese Communist authorities will also shake off their old ideological restraints, admit new changes in the situation, be brave in facing historical reality, show sincerity for interaction, and jointly open up a new situation for future peaceful unification.

In future, we shall continue to hold a pragmatic attitude, expand the mutually complementary and beneficial values of our economies, inherit and develop the culture at a deeper level, and strengthen the flow and exchange of information. Being members of the Chinese nation, we are also willing to, with sincere compatriotic love and with the experience of construction in the Taiwan area, assist the mainland of China to speed up development, improve the living standards of millions upon millions of compatriots, and create a new era of peace and prosperity for the Chinese nation with the joint strength of the Chinese on both sides of the strait.

**VIII. Strengthen Pragmatic Diplomacy** The present-day international structure is evolving toward diversification, international consultation and cooperation have replaced the traditional alignment and confrontation, and the functions of international organizations are receiving more attention. For various countries, this means the beginning of new cooperation. In this situation, to



**provide the necessary subsistence and development room for the Taiwan, Penghu, Kinmen, and Matsu compatriots, we must continue to adopt a flexible and pragmatic attitude toward and a positive way of encouraging more partners in cooperation, so that we can play a more positive role within the international community.**

In diplomacy, the Republic of China [ROC] has maintained a spirit of independence, kept the initiative in our own hands, and upheld the principle of equality and mutual benefit; it has made positive efforts to build good-neighborly relations and undertaken international responsibility; it has strictly abided by international justice, and safeguarded world peace. In recent years, we have adopted a more flexible and pragmatic attitude, and a more positive way of expanding cooperation and exchanges on the basis of mutual benefit with countries having diplomatic relations Taiwan; we have carried out mutual assistance and cooperation with countries having no diplomatic relations with Taiwan, and have strengthened our substantial relations with them. In the meantime, we have not given up any opportunity in our efforts to enter international organizations, to join international activities, to expand our international arena, and to enhance our international position. We believe that a free, democratic, and prosperous Republic of China can make specific contributions to the international community and should also have reasonable international dignity.

With the new international order, which has democracy and dignity as its core, we hope all the more to enrich cross-strait relations and seek common interests for the people on both sides of the strait, in addition to strengthening pragmatic diplomacy. In the long run, the participation of both sides in international organizations will provide a more favorable environment for the great cause of reunification and will produce positive significance on the cultivation of mutual trust between both sides. This is absolutely not creating "two Chinas," "one China, one Taiwan," or "Taiwan independence," as described by Communist China.

I, Teng-hui, hope that the Communist Chinese authorities will take a rational and pragmatic attitude toward the actual cross-strait situation, give up their hegemonist thinking, and, embracing the compatriots' sentiment of mutual support, make common efforts for the sake of Chinese dignity and development in the international community and create a new era of pride and elation for the Chinese nation.

#### **IX. Conclusion**

Ladies and gentlemen: The inauguration of the ninth president and vice president marks a new beginning in

the history of the Republic of China. This solemn beginning indicates our commitment to sacred responsibility and symbolizes the new wish of compatriots throughout the country. I, Teng-hui, accept the responsibility the entire people have entrusted to me. Being aware of this important mission, I should be responsible to history, serve the people, and make all-out efforts. I sincerely hope that every delegate will take the opportunity to offer me guidance.

Today we live in a new era in which Chinese politics are the most democratic they have been in history, its economy is the most prosperous, its society the most open, and its culture the most flourishing. It is also a great era in which we have the greatest confidence in rebuilding the country and blazing a new trail. How to further improve our democratic system and make our democratic operation more mature is the loftiest wish cherished for the Second National Assembly by people throughout the country, and is also the most important mission of every delegate. Beginning from the National Assembly, let us cherish the people together, take much account of state interests, open up a new era in cooperation between political parties, form a common understanding, complete constitutional government reform, and scale new heights in state construction.

In conclusion, I wish prosperity to the Republic of China! Good health and happiness to everyone! Thanks.

#### **Taiwan: Li Teng-hui, Paraguayan President Pledge To Strengthen Ties**

OW1207153096 (Internet) Taiwan Central News Agency WWW in English 1350 GMT 12 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — President Li Teng-hui met with Paraguayan President Juan Carlos Wasmosy Friday in Yangmingshan, with the two heads of state reaffirming efforts to further strengthen bilateral relations for the well-being of their people.

At the meeting, Li accepted Wasmosy's invitation to visit Paraguay, saying that he is willing to make the trip at an appropriate time in the near future.

Li called for closer cooperative ties between the two countries and said he believes that Wasmosy's visit will help expand bilateral relations.

In addition to congratulating Li for his resounding victory in the ROC's first direct presidential election in March, Wasmosy also thanked Li for the long-time assistance the ROC and its people have extended to his country.



Wasmosy reiterated Paraguay's firm backing of the ROC and said Asuncion supports Taipei's bid to join the United Nations.

Wasmosy, leading a high-level delegation including Foreign Minister Ruben Melgarejo [name as received], Trade and Industry Minister Ubaldo Scavone and other ranking officials, left for home Friday evening after a brief two-day visit here.

**Taiwan: Li Teng-hui Interviewed on Cross-Strait Developments**

OW1207145496 (Internet) Taiwan Central News  
Agency WWW in English 1423 GMT 12 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — President Li Teng-hui called for worldwide support for the Republic of China [ROC] in the latest issue of "POLITIQUE INTERNATIONALE," saying the ROC is willing to help bring prosperity and democracy to Mainland China and the whole world.

President Li, in an article published by the renowned French magazine in its July 12 summer edition, said the ROC's first direct presidential election on March 23 is proof that democracy has come of age in Taiwan and that Chinese people have the determination and ability to implement democracy and defend freedom.

Li said the ROC has always wanted to play a constructive role in the international community to contribute more toward peace and prosperity in the Asia-Pacific region and the world.

However, he lamented that the separate rule in Taiwan and Mainland China over the past half century has resulted in huge differences between the two sides of the Taiwan Strait.

Although the differences across the Taiwan Strait are a well-known fact, Li said, the ROC Government has never deviated from its goal of China unification.

To achieve the goal, Li said, he has repeatedly called on Beijing leaders to jointly usher in a new era in which the two sides of the Taiwan Strait can seek mutually-beneficial and complementary relations by resolving their disputes peacefully.

Nevertheless, Li said Beijing has been reluctant to respond to his calls, and even interpreted his offers with ill will.

To herald a new era of cross-strait cooperation and communication and ensure peace and prosperity in the Asia-Pacific region, Li stressed that he is willing to

embark on a "journey of peace" to Mainland China to meet with Beijing leaders.

Taiwan's economic miracle and democratic achievements have not only opened a new page in Chinese history, but also set a model for other developing countries, Li said.

Li called on the international community, while praising Taiwan's political and economic achievements, to extend more support and friendship to the ROC to help spark the democracy and freedom now enjoyed in Taiwan in Mainland China and the rest of the world.

"POLITIQUE INTERNATIONALE" is an authoritative quarterly publication on international relations and strategies, which exercises an important influence over officials and scholars in political, foreign policy, and economic circles around the world.

Along with the article by President Li, the magazine also carried five reports on Taiwan's March presidential election and related articles by noted French scholars.

**Taiwan: Sino-U.S. Consultative Meeting on Telecommunication Begins**

OW1507060596 Taipei Broadcasting Corporation of  
China News Network in Mandarin  
2300 GMT 14 Jul 96

[Reporter Wang Yu-wen's report; from the "Hookup" program]

[FBIS Translated Text] ROC [Republic of China]-U.S. consultative meeting on telecommunication will begin on 15 July. The two sides will exchange views on the readjustments of charges for telecommunication services, intercepting services, ceilings set for earnings from investments in telecommunication industry, and other issues in the Republic of China. Wang Yu-wen reports:

[Begin Wang recording] The ROC-U.S. consultative meeting on telecommunication will start on 15 July. The two sides will exchange views on issues relevant to deregulating telecommunication services. According to senior officials of the General Administration of Telecommunication [GAT] of the Republic of China, the ceiling now set for earnings from investment in the telecommunication industry is 11.5 percent. The U.S. side, however, maintains that it is irrational to regulate the private sector with the ceiling set for state businesses and that the ceiling set for the private sector should be more liberal. The Ministry of Communications basically agrees with the U.S. side, maintaining that the issue can be discussed. It says, however, that the current formula was developed by the Legislative Yuan in 1982, and the

Legislative Yuan's concurrence is essential even if this formula has to be changed. It says the Chinese side can only regard the U.S. side's view as a reference.

With regard to the expense for intercepting telecommunication signals, the officials indicate that, because of Taiwan's physical conditions and size, the costs for setting up intercepting networks and the interception services are both high. However, they say that there is also room for discussion on this matter.

On the readjustment of fees charged for cellular phone services, after the Telecommunication Law was enacted last January, the market has been fully deregulated, and the GAT will also stop subsidizing any price difference. The fees for international telephone services and cellular phones will be readjusted. The service charges for cellular phone calls is expected to drop from the current NT [New Taiwan] \$1,200 to NT\$400. Due to substantial drops in prices, the local operators maintain that they will barely be able to compete in the future; and the U.S. side is also concerned. The officials, however, maintain that the drops reflect normal costs.

With regard to the current rule that a telecommunication service has to publicize 60 percent of its paid-up capital, the U.S. side maintains that the international norm is 30 percent. GAT officials maintain that (?this percentage is set in the) hope that operators will have sound fiscal plans because the higher their paid-up capital is, the higher marks they will score from appraisers.

GAT officials add that, with regard to increasing the percentage of foreign investments in telecommunication business, the current ceilings that the country and the United States have set for each other's investments are both 20 percent. Seen from the angle of reciprocity, the United States is not in a position to demand that our side increase the investment rate.

This is reporter Wang Yuwen at the Ministry of Communications. [end recording]

#### **Taiwan: Ministry Spokesman Welcomes AIT Head's 11 Jul Remarks**

OW1207150396 (Internet) Taiwan Central News Agency WWW in English 1350 GMT 12 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — The Ministry of Foreign Affairs on Friday welcomed a recent statement by an American official that the Clinton administration has no intention of interfering in affairs between Taiwan and Mainland China.

"It has been the ROC Government's consistent stance that Chinese affairs should be solved peacefully by the

Chinese on both sides of the Taiwan Strait, and that both sides should be committed to the reunification of China," Foreign Ministry spokesman Rock Leng said.

In a 30-minute press conference in Washington on Thursday, Darryl Norman Johnson, new director-general of the Taipei Office of the American Institute in Taiwan (AIT), said the U.S. has no intention of taking concrete steps to push for the early resumption of stalled cross-Taiwan Strait talks, though it does hope to see Taipei and Beijing resume dialogue.

"Johnson's statement will help clarify speculations," Leng said, referring to the repercussions of the recent mainland visit by U.S. National Security Adviser Anthony Lake. Some people in Taiwan feared that Taiwan's interests might be sacrificed when Lake met with ranking mainland government officials.

Lake originally planned to meet with Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait, Beijing's top negotiator with Taipei, during his stay in the mainland from July 6-10. The meeting was canceled, but the reason behind the aborted encounter has not been released.

Johnson also reiterated that the six promises that former U.S. President Ronald Reagan made to Taipei in 1982 when Washington and Beijing forged the "August 17 Communique" remain valid.

Under the six promises, the U.S. guaranteed not to terminate arms sales to Taiwan within a set time frame, not to consult with Beijing prior to any arms sales to Taiwan, not to act as a mediator between Taipei and Beijing, not to amend the "Taiwan Relations Act," not to change its stance on "Taiwan's sovereignty," and not to press Taipei into talks with Beijing.

Johnson is scheduled to arrive in Taipei in late July to assume his new office. AIT was established in 1979 by the U.S. to handle exchanges with Taiwan in the absence of diplomatic ties.

#### **Taiwan: CNA Holds Forum on Cross-Strait Ties After Lake's PRC Trip**

OW1307115096 (Internet) Taiwan Central News Agency WWW in English 0915 GMT 13 Jul 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, July 13 (CNA) — The United States, Taiwan, and mainland China should establish a "three-win" relations, Shao Yu-ming, director of the Institute of International Relations of National Chengchi University said Saturday.

Speaking at the CNA forum "Viewing Cross-Taiwan Strait Ties after Lake's Mainland Trip," Shao said that

if U.S. National Security Advisor Anthony Lake's mainland visit can ease strained ties between Washington and Beijing, it will also help to break the impasse across the Taiwan Strait.

Lake visited Mainland China from July 6-10, becoming the highest ranking U.S. official to go there since September 1994.

Shao said the insistence that foreign countries not interfere with Chinese affairs is "dishonest" because the Shanghai Communique signed between Beijing and Washington in 1972 and Taiwan Relations Act in fact represent U.S. interference with Chinese affairs from the very beginning.

Mainland Affairs Council Vice Chairman Kao Kung-lian echoed Shao's call to usher in a "three-win" relations, but said that the chances of doing so are small. The ROC [Republic of China] government is glad to see an improvement in Washington-Beijing ties, but the ROC's rights and interests must not be damaged, Kao said.

Beijing should resume dialogue and strengthen cross-strait exchanges to improve bilateral ties and promote active exchanges between the two sides of the Taiwan Strait, Kao added.

**Taiwan: KMT To Study Proposal For Sending Chiang Remains to China**

*OW1307101396 (Internet) Taiwan Central News Agency WWW in English 0915 GMT 13 Jul 96*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 13 (CNA) — A ruling Kuomintang [KMT] official said Saturday that the KMT has to study carefully the request to transfer the remains of two former ROC [Republic of China] presidents to Mainland China for burial.

KMT Secretary-General Hsu Hsui-te said that both President Chiang Kai-shek and his son President Chiang Ching-kuo made great contributions to the party and the nation during their tenures. The stature of the two and the political significance of the matter will have to be dealt with carefully.

Hsu confirmed reports that General Wego Chiang, son of Chiang Kai-shek and half-brother of Chiang Ching-kuo, asked to transfer the remains of the two to the mainland.

Hsu said that the matter has been turned over to Chang Pao-shu, Ma Su-li, and Tsiang Yien-si, heavyweights in the KMT and former secretary-generals of the Presidential Office, for study.

Hsu said that the KMT will take into consideration the wishes of the Chiang family, but has not yet reached any substantial conclusion on the matter.

President Chiang Kai-shek, of Zhejiang province, died on April 5, 1975, while his son Chiang Ching-kuo, died on January 13, 1988. As their lifelong ambition to recover the mainland had not been realized, they were temporarily buried in separate sites in Taoyuan, northern Taiwan.

Kao Kung-lien, vice chairman of the Mainland Affairs Council (MAC), would not comment on the reports.

Kao said that sensitive issues are involved with sending the remains of the former presidents to the mainland, in addition to the historical feud between the KMT and the Communists.

Presidential advisor and former opposition DPP legislator Annette Lu said that it may not be a bad thing if Chiang's family wants to bring the remains of the former presidents to their home town in the mainland.

Lu said the inauguration of the first president and vice president in May 1996 marked a new beginning in Taiwan. In these changing times, if the family wants to bring the remains of the two, who are part of an earlier generation, to the mainland, it will bring to a close a chapter of history, and would not be a bad thing.

Meanwhile, legislators from three major parties said that though the wishes of the Chiang family should be respected, the political significance of such a move must also be weighed.

Shih Tai-sheng, KMT's party whip in the Legislative Yuan, said that it is a tradition for a Chinese to return to his roots after his death. Such exchanges between the two sides of the Taiwan Strait are very frequent, the wish of the Chiang family should be respected.

Shen Fu-hsiung, the party whip of the Democratic Progressive Party, said the people here should consider the issue from a humanistic perspective and allow the remains to be sent back to the mainland.

Chu Kao-cheng, convenor of the New Party caucus in the Legislative Yuan, said that from a legal point of view, Chiang's family has the right to send the remains home, but he would not deny the political significance in such a move.

Chu said that the remains of the two former presidents were temporarily placed in Taoyuan in hopes that they could return for a proper burial after the unification of China. An early return of their remains might send a message that there is no hope of eventual unification.



Chu urged deeper consideration of the political impact of such a move.

**Taiwan: Beijing Authoritative Sources Say Deng Death Only Rumor**

OW1307095396 (Internet) Taiwan Central News Agency WWW in English 0914 GMT 13 Jul 96

[By Chang Lung and Lilian Wu]

[FBIS Transcribed Text] Beijing, July 13 (CNA) — Despite rising speculation about the death of Mainland China's paramount leader Deng Xiaoping, his condition remains unchanged, authoritative sources in Beijing said Friday.

News of the mainland patriarch's death spread again on major world stock and futures markets over the past two days.

But authoritative sources said that "this is only rumor."

All political and social activities in Beijing have taken place as scheduled and no major changes are evident.

Premier Li Peng received foreign visitors as usual, meeting a Social Democratic Party delegation from Japan Friday.

Meanwhile, Chuei Tiankai [Cui Tiankai], spokesman of the Foreign Ministry, met with the chiefs of Japanese media here over dinner.

The last time Deng made a public appearance was at a Chinese New Year celebration in Feb. 1994, when he looked sick and frail.

News of Deng's death has surfaced every few months recently. Deng will celebrate his 92nd birthday in a few weeks.

**Taiwan: Paraguayan President Promotes Investment**

OW1207152896 (Internet) Taiwan Central News Agency WWW in English 1350 GMT 12 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — Paraguayan President Juan Carlos Wasmosy pitched his country's investment environment at a seminar Friday in Taipei to court Taiwan investors.

Wasmosy, who arrived in Taipei Thursday evening following a trip to South Korea, said at the seminar that one of the main purposes of his two-day visit here is to promote Taiwan investment in Paraguay.

Wasmosy, who last visited the Republic of China [ROC] in August 1995, said his country has implemented a

full-fledged democracy and offers adequate protection for foreign investors.

In addition, Wasmosy said, Paraguay has many other investment advantages, including rich natural resources, cheap skilled labor, a stable national currency, a shrinking foreign debt, and permanent income tax exemption for foreign investors.

Moreover, Wasmosy said Paraguay is at the heart of the Southern Cone Common Market, the fourth largest trade group in the world, which has a population of 200 million and accounts for 60 percent of South America's annual output.

The Southern Cone Common Market currently has four members — Paraguay, Uruguay, Brazil, and Argentina. Chile is expected to join the group soon, while Bolivia and Venezuela will acquire membership next year.

Wasmosy said Paraguay has great development potential, particularly its textile, petrochemical, paper-making, and agricultural processing industries.

"Products manufactured in Paraguay can flow freely into other Common Market member countries and need not pay customs duties," Wasmosy said, adding that Taiwan companies are welcome to use Paraguay as a bridgehead to tap the vast South American market.

Speaking on the same occasion, Vice Economic Affairs Minister Sheu Ke-sheng said the ROC and Paraguay have maintained cordial relations since they forged diplomatic ties in 1957. The two countries have investment guarantee and tax exemption agreements to protect their investors. Paraguay is the only South American country that recognizes the ROC.

Sheu said Taiwan investment in Paraguay in the first 11 months of 1995 totaled U.S.\$16 million, fourth largest after that from Argentina, Brazil, and the United States. Taiwan investment concentrated in the plastics industry.

The ROC government has assisted Paraguay's land developers in building an industrial park in the country's Eastern City. Sheu said 32 Taiwan companies have decided to set up production bases in the zone and three of them have begun commercial operations.

Jeffrey Ku, president of the Chinese National Association of Industry and Commerce, said Paraguay boasts a stable political climate and its power rates are the cheapest in the world.

Ku, chairman of the Chinatrust Commercial Bank, said his bank is scheduled to open a branch in Paraguay in August to better serve Taiwan investors there.

ROC Foreign Minister Chang Hsiao-yen hosted a luncheon in honor of Wasmosy at the Grand Hyatt Hotel.

Prior to his departure in the afternoon, Wasmosy met with President Li Teng-hui for wide-ranging talks. They reaffirmed the bonds of friendship between the two countries and exchanged views on matters of mutual concern.

**Taiwan: Agency Approves \$400 Million in Loans for Chip Makers**

OW1207145096 (Internet) Taiwan Central News Agency WWW in English 1350 GMT 12 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 12 (CNA) — Taiwan's economic planners once again demonstrated their full support for domestic semiconductor makers on Friday, giving the green light to two loan applications worth a combined total of NT\$11 [new Taiwan dollars] billion (U.S.\$400 million).

"Taiwan chip makers tout sophisticated manufacturing expertise and relatively low production costs as well," an official with the Council for Economic Planning and Development (CEPD), Taiwan's highest economic planning agency, said after the two applications received the go-ahead.

"They are very competitive on the international market," the official said, adding that their production costs are about 15-20 percent lower than those of their competitors in the United States and Japan.

The Ministry of Economic Affairs is working to increase the share of Taiwan-made semiconductors in the world market from the present 3 percent to 5 percent before the turn of the century.

Of the approved loans on Friday, NT\$6 billion is earmarked to finance the construction of an eight-inch IC wafer fabrication facility by Winbond Electronics Corp. at the Hsinchu Science-based Industrial Park in northern Taiwan.

Chinatrust Commercial Bank will be the lead bank for the seven-year syndicated loan, which will have a grace period of 2.5 years.

The plant will begin with 0.4 micron production process and later upgrade to 0.35 micron. A micron, the basic unit used to gauge the width of integrated circuits, is about the one-hundredth the width of the average human hair.

The facility, slated to come on line during the fourth quarter of this year, will churn out 25,000 eight-inch IC wafers a month at full speed.

The remaining NT\$5 billion in funds will go to United Semiconductor Corp. (USC), a joint venture set up by

Taiwan's United Semiconductor Manufacturing Corp. and American design houses S3 and Alliance, to finance the construction of an eight-inch IC wafer fabrication facility.

The USC plant, scheduled to begin mass production in the third quarter of 1997, will make up to 25,000 wafers a month.

Sources said that since the two ventures have been listed as key investment projects, the loans will receive favorable terms, though the exact interest rates have yet to be decided by the banks and the borrowers.

**\*Taiwan: National Security Bureau Studying 'Pragmatic Sovereignty'**

96CM0410A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 20 Apr 96  
No 475, pp 26-27

[Article by Yang Li-Chieh: "The Presidential Palace Intends To Reduce the Territory of the Republic of China—The National Security Bureau Is Conducting a Public Opinion Survey on the Proposal of the Constitutional Revision With Regard to 'Pragmatic Sovereignty'"]

[FBIS Translated Text] At present, nobody is concerned about whether or not the Constitution will be revised at the National Assembly this year, and the contents of constitutional revision are little talked about too. Given the situation that people on the outside think that whether the Constitution is revised or not has nothing to do with them, recently, the National Security Bureau conducted a "public opinion survey" on the "pragmatic sovereignty" relating to the revision of the Constitution. According to pertinent personalities, the purpose of conducting such a survey is to collect information for submission to the "Trend Simulation Group" of the Presidential Palace, so that analyses will be made as to whether or not the issue of "pragmatic sovereignty" will be proposed in the next constitutional revision.

An informed source pointed out: There are, in fact, two focal points in the study of the so-called "pragmatic sovereignty": One is to explicitly define in the Constitution that the Republic of China has abandoned Outer Mongolia, which means constitutionally recognizing the fact that Outer Mongolia is an independent state. The other is to acknowledge in the Constitution that the sovereignty of the Republic of China only embraces Taiwan, Penghu, Quemoy, and Matsu at present. If the result of the above said study on these two proposals is favorable to preserving the political power of the ruling circles, the proposals to revise the Constitution will probably be put forth at the National Assembly this year or next year.

The practice of the "pragmatic sovereignty" has a lot in common with the appeal that "Taiwan's sovereignty shall exclude the mainland and Outer Mongolia" made by the Democratic Progressive Party [DPP] three or four years ago. The informed source said that, in fact, senior government officials hope to propose the "pragmatic sovereignty" as a general direction which implies a motive, that is, the hope to obtain recognition from more DPP supporters through such a mode of political maneuver, so that the masses of the DPP will move closer to the persons in power. However, the study has not yet been completed, and the National Security Bureau is conducting the public opinion survey. Hence, there will not be any conclusion about the "pragmatic sovereignty" before the public opinion report is written and submitted to the "Trend Simulation Group" for further analyses.

Lee Teng-Hui has repeatedly talked about the concept of "pragmatic sovereignty." His comparatively complete exposition on this subject was recently made in his speech to the televised conference of political views on 17 March.

At that conference, Lee Teng-Hui cited the two events that aroused concern from the international community—the trade friction between the United States and Japan, and the coup d'état in the Soviet Union, emphasizing that it was wrong to go back to the "old-time concept on sovereignty in which oppression and anti-oppression were moving in a cycle." He said: Trade friction broke out between the United States and Japan, but thanks to the appropriate adjustment in pursuit of mutual benefits, their respective sovereignty was not affected. Lee called this a "pragmatic concept on sovereignty." He cited the coup d'état in the Soviet Union as another example. At that time, the United States issued five strongly worded statements. As the coup d'état in the Soviet Union had an impact on the international order and affected the interests of a large number of countries and people in the world, what the United States did was a move of "international mutual assistance" rather than "intervention in other's internal affairs."

What Lee Teng-Hui emphasized is that two political entities with sovereignty may hold talks for mutual benefits, and their respective sovereignty will not be affected. This illustrates his hope that contacts between the two sides across the Taiwan Strait should be discussed under the framework of "two sovereign states independent of each other in the world."

As regards the so-called "Trend Simulation Group," the informed source said that it was set up during a session of the National Reconstruction Council [guo

jian hui 0948 1696 2585] four or five years ago, with only a few core members. Later, these core members spread into a considerably large "network of academia," some of whom are domestic academics or members of the National Reconstruction Council, others are returned academics or researchers from the United States. Besides, it was also participated in by some foreign and CPC academics. They chiefly specialize in computer and social sciences.

Another characteristic of the group is that except for the core members, most of the scholars did not know that the results of their study were provided to be used by the core members. That is to say, except for the core members, nobody in this organization knew the existence of the "Trend Simulation Group." Generally, the group accepted special cases for study entrusted by senior government officials, and the contents may include what actions the CPC may take under the current cross-strait relations, or what changes may be made to the domestic political circles or even to the political power across the strait if a certain policy is put into practice.

When the group received a plan for study, they would divide information to be acquired into several small projects. Then, they would subcontract the small projects to domestic or foreign research units through the state-funded organizations such as the National Science Council, and others. The titles of the plans may be the "political inclination of medium-and low-income families," which look a little bit irrelevant to the ultimate motive of the study. Because of this secret way of "subcontracting," academics conducting the study of these subcontracted projects had no idea of the ultimate motive of the study. On the other hand, the group might also request to read the study results of various domestic research units through the National Security Council, or request it to send the "public opinion surveys" prepared by the National Security Bureau and other intelligence and security units for further analyses.

When these data are sent to the "Trend Simulation Group," they will be stored in a computer, and [the computer could then] figure out various possible situations that may emerge in the future and the corresponding measures that the government should adopt. The informed source said that this approach was introduced from the United States, where particular stress is laid on the positive sociology in sociological study. At the end of the 1980's, some manufacturers used this method to study how to face the changes of the international situation. At that time, the principal changes that they studied were those of business opportunities after the disintegration of the Soviet Union. As this method played a con-



siderably vital role at that time, some academics called it the "approach of trend simulation analyses," and the "Trend Simulation Group" was thus named as it adopted this approach to study futurology. The biggest flaw of this approach is that the data collection is excessively large in size, and in order to enhance the accuracy of the data, they must be updated from time to time.

The future move of dealing with the cross-straits issue that the "Trend Simulation Group" proposed to the senior government leaders is to give prominence to the human rights and democracy issues on the opposite side of the strait. The informed source said that during the presidential election, Lee Teng-Hui expressed his view that before the human rights and democracy issues are resolved, China is merely a cultural concept. That means it is scarcely possible for the cross-straits talks on reunification to be held before a consensus on the two major issues of human rights and democracy is reached. In order to arrest the worldwide attention to the fact that "Taiwan thinks highly of human rights," the group even suggested that after Lee Teng-Hui's inauguration ceremony as the ninth president is over, a special amnesty be granted to the controversial death penalty on Su Chien-He and two other convicts.

Ting Mao-Shih, secretary-general of the National Security Council, denied that the council was conducting a study on "pragmatic sovereignty." Although the National Security Council is the highest research unit formed by the aides and staff of the Presidential Palace, yet Lee Teng-Hui always looks for specific staff to perform specific duties through multiple channels. Whether or not the concept of "pragmatic sovereignty" will be proposed and become a focal point of the future constitutional revision will depend upon the results of the study conducted by the "Trend Simulation Group."

**\*Taiwan: Peng Ming-min Gives Impetus to Taiwan Independence Movement**

96CM0410B Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 20 Apr 96  
No 475, pp 79-80

[Article by Chuang Sheng-hung: "Peng Ming-min's Relationship With and Feeling for the DPP Have Ended—Why Did Peng Ming-min Found the Association of the National Reconstruction?"]

[FBIS Translated Text] Recently, on the occasion marking the founding of the Association of the National Reconstruction [ANR, jian guo hui 1696 0948 2585], Peng Ming-min, who represented the Democratic Progressive Party [DPP] in the first presidential election by the people, said that his relationship with the DPP is not different from others' relationship with the DPP. This remark,

signifying the end of his predestined relationship with the DPP, reflects his thought from the depth of his heart, which has severely hurt the feelings of the DPP.

Recalling Peng Ming-min's relationship with the DPP over the past three years since his return to Taiwan, people described it like a pair of lovers who began their contacts three years ago, and got betrothed and then married a year ago. After the honeymoon, however, they found themselves encumbered with each other and began seeking new sweethearts. Finally, they separated and prepared to divorce.

After the founding of the ANR, Peng Ming-min almost became an out-and-out "Godfather of the Taiwan Independence [TI] Movement" on the island. During his sojourn in the foreign country, Peng's views on political affairs were, in fact, not very radical. Judging from his speeches at that time, he belonged to the "faction of self-determination." Over the past three years, he has gradually changed from an advocate of "self-determination" to a core element of the "Taiwan Independence Movement." What on earth has brought about such a change?

According to his explanations, when he was abroad, he stressed that the Taiwan people should have the right of self-determination, which is primarily because he was living abroad at that time. If he said in the foreign country that "Taiwan needs independence," then instantly there would be a question. The U.S. Congress would ask: "Why should Taiwan be independent? How do you know that the Taiwan people want independence since you are here in the United States?" He thought that he was unable to represent the Taiwan people in their decision on whether or not they wanted independence since he stayed in the United States rather than in Taiwan at the time. "As I could not say that I knew the affairs in Taiwan, I stressed that the Taiwan people should have the right to determine their own future. This sounds more reasonable!" But, Peng Ming-min also stressed that he once said if the Taiwan people had the right to choose, he believed they would choose the road of independence.

After returning to Taiwan, Peng Ming-min thought he could say Taiwan wanted independence. "As I live in Taiwan, I can say I want Taiwan to be independent. This is also the reason why I said in the past that the Taiwan people wanted self-determination." In his opinion, this is more in conformity with the democratic principle. Therefore, Peng thought his stand did not change, considering where and when the stand is taken.

Although Peng Ming-min has some regrets over the failure in the election, yet he feels that participation in the election is only a part of his actions to attain his ideal over the past decades. He did not think that

"everything is over because he was not elected. This is not the case with him, as the election is transient, and his pursuit of the ideal has been for decades." Peng felt that the 227,000 votes he gained in the election are pure votes for Taiwan independence. Taken from this point of view, he did not see any reason why he should let these forces fall apart. Therefore, he decided to gather his supporters together and found the ANR.

In Peng Ming-min's view, he is not different from any other DPP member after the election. Some members may join an environmental protection organization, others may join a teachers' association, and since the ANR is not a political party, "there is no conflict in joining it!" That is why he thinks that the ANR's relationship with the DPP is just the same as its relationship with other organizations, "which is nothing special!"

As regards some people inside the DPP who do not accept the above remarks, Peng Ming-min felt that it could not be the great majority of the DPP members that found his view unacceptable. "The DPP has only a membership of 50,000 to 60,000, but the votes I gained exceeded 2 million. Although it is a small number, at least it is larger than the number of 50,000 to 60,000." In his opinion, what he is concerned about is the support given by more than 2 million people rather than a handful of individuals. He queried: "Inside the DPP, how many people really support the stand of the DPP Central Committee? There are a lot of voices inside. I am not against the DPP, and I encourage the DPP to continue its development as a political party. Now, I am not engaged in founding a political party, so there is no conflict of interests in it." He felt that he was not in a position to ask everyone, without exception, to accept his views. As to those who find his views unacceptable, "it will be all right if they go to support the DPP instead of coming here to support me!"

To Peng Ming-min, it was quite disappointing and regrettable to fail in the election. However, things that he saw during the election made him feel even more grieved than regrettable, and he no longer had much expectations from the DPP. He said: "We are increasingly confused about the DPP's stand with regard to the Taiwan Independence Movement! Although there are articles on Taiwan independence contained in the party's constitution, in reality, have its leaders talked about this issue in recent years?" He pointed out that as he knows, a number of DPP members are doing business on the mainland, and their concept on Taiwan independence has been obscured little by little. "We do not quite understand what such a position is, and we do not understand what their position toward Taiwan independence is, either." Peng Ming-min even queried:

"Do any of them belong to the Taiwan independence faction?" Therefore, Peng Ming-min thinks that he will still give impetus to the Taiwan Independence Movement, because it is his belief that independence is the only way for Taiwan to survive.

On the afternoon of the founding of the ANR, the acting chairman of the DPP, Chang Chun-hung, and its secretary general, Chiu I-jen, visited Peng in the Peng Ming-min Cultural and Educational Foundation. On that occasion, Chang Chun-hung cited numerous reasons why the DPP should form a united cabinet with the Kuomintang [KMT], but Peng Ming-min felt that his reasons for joining the cabinet were not at all convincing.

He maintained that a party means an ideal, and a minority party need not be self-abased. He did not understand why the DPP leaders think that the party cannot grow unless it joins the government.

"How can we say that we cannot possess the ability to be in power unless we join the cabinet? I do not understand why they are so anxious to enter the cabinet." In his opinion, this move of the party will only evoke people's suspicion that it is for personal political interests. "I never heard that without joining the cabinet we cannot win the trust from the voters." Peng found that leaders of the party central committee failed to stick to their stand, which is the biggest problem of the DPP.

Despite his failure in the election, Peng Ming-min is still greatly concerned about the development of Taiwan's political situation. Nonetheless, he did not expect much from Lee Teng-Hui. Peng said: "As I always say, it is not the problem of his character, but his excessively heavy burden!" He predicted that Lee Teng-Hui's honeymoon after being elected would not be longer than one month. Moreover, the problem has begun to surface now. According to Peng, "Lee Teng-Hui is unable to treat fairly" the issue regarding whether or not Lien Chan should continue holding the position as president of the Administrative Yuan concurrently. "As things are going on like this, how can reform be conducted? It has got into such a mess about the nomination of the president of the Administrative Yuan, so I am not optimistic about his future performance." Peng thinks that the issue of nominating the president of the Administrative Yuan is an obvious indicator.

With regard to the rumor that Lee Teng-Hui would appoint him as a senior minister or ask for his help, Peng Ming-min said he was ignorant of the news. Meanwhile, he feels that under the KMT structure, even though Lee Teng-Hui really wants to seek his assistance, "he was unable to play any part!"



After the election, however, he found that Lee Teng-Hui did not make any comments on Taiwan's international status. "Up to now, he did not say that Taiwan is a part of China. It is right that he did not say so, otherwise it is too bad. He did not talk about unification either." Peng felt that Lee Teng-Hui was avoiding such issues and tried to face the outside world as equivocally as possible.

During this period, the happiest thing Peng Ming-min has done was when he went singing at the KTV with Hsieh Chang-ting and the Headquarters' student work team. This was the first time in his life that he ever visited the KTV. After attending a gathering that day, Hsieh Chang-ting asked him if he wanted to hear students singing. Originally, Peng Ming-min thought he would just stay for a while and quit. Unexpectedly, he stayed there until 1200 midnight. Although Peng is not a good singer, he was very delighted and only worried about the possible breakout of a fire.

Peng Ming-min has completely divergent views with the core members of the DPP over a number of issues. As to whether or not these divergent views will, after all, become the watershed between the DPP and himself, and whether or not they are the differences between the 2 million voters and the 60,000 party members, only the voters know the answer for sure.

**\*Taiwan: Antonio Chiang Views CCK's Unsuccessful Assassin**

96CM0433B Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 18 May 96 No 479, p 11

[Article by Szuma Wen-wu (Antonio Chiang): "With Chiang Ching-kuo's Attempted Assassination Fading Into History, the Assassin Scholar Has Returned Like a Porpoise"]

[FBIS Translated Text] Huang Wen-hsiung [7806 2429 7160], who tried to assassinate Chiang Ching-kuo [CCK] [Chiang Kai-shek's son] in New York on 24 April 1970, has finally ended his 26 years of exile abroad under an alias, having returned to Taiwan last month, to end his history of being blacklisted abroad.

If his gunshot had been just a few centimeters off, it would have rewritten Taiwan's history. And while we cannot be sure whether it would have been better or worse, it is certain that his shot did have a profound impact on CCK, who subsequently said that as he had done so much for Taiwan, he could not understand how anyone could still hate him so.

At the time, Taiwan was being ruled by spies, with absolutely no political freedom or freedom of speech. CCK was about to succeed [Chiang Kai-shek] in his sta-

tus as chief spy, with "Sun Yat-sen having overthrown the monarchy, while Chiang Kai-shek and his son CCK having restored the dynasty." Those with lofty ideals at the time were choked with silent fury. So Huang Wen-hsiung, as a warrior scholar, did what many had thought of but not dared to try.

While he committed a monstrous crime, he was still a model of integrity in many minds. But as to his immediate environment, he paid a bitter price, giving up his studies, family, and all, to begin a life in exile abroad, in which he never showed his face. And while he had been seen as such a brilliant fellow at the time, the years of torment have left him with a weather-beaten look. Upon his return this time, the scene at the time of pride and tension over the welcome home of a blacklisted overseas figure was nowhere to be seen, replaced rather with merely an insipid response at the mixed miracle, leaving the "attempted assassination of CCK" to be seemingly nothing more than a long-faded page of history. And with CCK having done so much in his later years to pave the way for democracy, the younger generation essentially does not know why anyone would have tried to assassinate him back then. But the Taiwan facing Huang Wen-hsiung was even more different than he had ever thought it would be at that time.

He said at a press conference that: The challenge facing Taiwan at present comes not only from the PRC, but also from the added dependency on other powers to resist the PRC. And as it comes even more so from our society's current exploration of development directions, it is a three-in-one challenge.

As to Taiwan's unification-independence debate, he also has his own insight. He holds that: While Taiwan must premise and ground its sovereignty in democracy, it also needs to arrange a suitable place in its social life for nationalism (including both Taiwanese and Chinese nationalism). It is just like with the freedom of choice of religious sentiments, in that one should not let it become an overriding principle.

As to his thoughts on Taiwan's problems, he has profound humane and social concerns. And as to the conflicts and vitality of a pluralistic society, he has a deep understanding.

Today's return to the motherland of a once hotheaded youth who tried to assassinate CCK is somewhat like a porpoise returning home. But this historic ending is also a historic beginning, as Taiwan society will set forth once again from that point of departure.



**\*Taiwan: Commentary on 'May 20 Syndrome'**

96CM0433C Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 11 May 96 No 478, p 10

[Commentator article by Antonio Chiang: "All Are Obsessed With Expectations About the Native Taiwanese Lee Teng-hui"]

[FBIS Translated Text] Since Lee Teng-hui's election victory, except for giving speeches throughout Taiwan to thank his constituents for their votes, he has been nearly silent on crucial domestic political issues. With all sorts of rumors and speculation flying about his cabinet choices, he is keeping quiet as always. And with the corruption and fraud cases growing ever greater, he still has nothing to say. Even as to mainland policy, foreign affairs, and national defense, he has made no public statements. So his real thoughts are unfathomable.

Many are placing all of their expectations on his 20 May inaugural speech. They believe that Lee Teng-hui has quietly taken the public pulse, understanding the public will, so will certainly on inauguration day or later lay out a miraculous plan to solve all problems, creating bright prospects for Taiwan's future. So this "May 20" syndrome is Lee Teng-hui's real appeal. Even the PRC authorities are also pleading that they can decide only after hearing his 20 May speech whether they will have to serve or receive.

But on the other hand, since Lee Teng-hui's landslide victory, many are also growing more concerned that he might consequently be more arrogant, self-important, and opinionated, being bent on having his own way instead of taking advice from others. By which point, their mood grows particularly gloomy.

So with our society being so full of both high expectations and great concerns, Lee Teng-hui's reticence has formed a bizarre political picture. It is much as if the political system had already collapsed, with all waiting for Lee Teng-hui to come forth to set reforms in motion once again. Lee Teng-hui seems to have tran-

scended government and political parties, holding an omnipotent key that will solve all problems. And all are waiting expectantly to see the results.

His doubters hold that he has neither the determination or capability to reform. Which is why he has continued to rely heavily on figures such as Liao Fu-pen [1675 4395 2609] and Liu Tai-ying [0491 3141 5391] who have such close ties to syndicate money, while leaving the case of Pingtung County Executive Wu Tse-yuan [0124 3419 0337] unsettled. But his supporters see that Liao Fu-pen has resigned, with Liu Tai-ying's position also being insecure, showing that Lee Teng-hui seems to have started to take action.

Lee Teng-hui has a strong sense of mission, as well as a pretty good sense of a blueprint for Taiwan's development direction. But his political skills are like his golf technique, in that he drives long and straight, but puts so awkwardly that he hardly ever makes one. Even his most ardent supporters are concerned about that.

But while Lee Teng-hui is now a political strongman, Taiwan after democratic reform has no room for power politics. And both our overexpectations and excessive concerns about Lee Teng-hui all reflect a conflicting mindset. That is, on one hand we are endeavoring to pursue democracy, while on the other expecting our democratically elected president to help us solve all problems just as did our strongmen of the past. That is an unrealistic illusion.

If our political system cannot play its proper role, then no matter how capable is Lee Teng-hui, he will be unable to revive it. As the major driving force for political reform comes from the public and the media, it is only their combined social might that drives political reform. So with this age having now arrived, we can no longer place all of our expectations on an individual as we used to. Otherwise, how could we claim to be a democratic country?

### Hong Kong

#### Hong Kong: Ambassador Jiang Enzhu on Hong Kong's Transition

OW1307081396 Hong Kong WEN WEI PO  
in Chinese 13 Jul 96 p a1

[Article by reporter Yu Qiping (0151 4860 1627): "Jiang Enzhu Says Hong Kong's Stable Transition Conforms to Common Interests of China and Britain at Meeting with WEN WEI PO's first deputy chief editor Zhang Qingyun"]

[FBIS Translated Text] London, 11 Jul (WEN WEI PO) — Chinese Ambassador to Britain Jiang Enzhu stressed: Hong Kong's stable transition conforms to the common interests of China and Britain. When visiting foreign nations to promote Hong Kong, Governor Patten should say more to favor Sino-British cooperation and Hong Kong's prosperity and stability. This is a very simple and easy principle.

Ambassador Jiang met yesterday with Zhang Qingyun, first deputy chief editor of WEN WEI PO. The two sides talked about current Sino-British relations and prospects for Hong Kong.

Ambassador Jiang stressed: China and Britain have cooperated very well in political issues on Hong Kong, which is helpful to promoting bilateral economic and trade cooperation. He said he always reminded good friends from Britain's industrial and commercial circles that they should make use of the current opportunity of increasingly better Sino-British relations to further improve bilateral economic and trade exchanges.

Jiang Enzhu said: The potential of the Chinese market is too huge. British businessmen have generally realized this and it is really necessary for them to explore and develop more. As British businessmen possess strong interest, Ambassador Jiang felt that it was a general trend that Britain would strengthen cooperation with China.

Britain can find markets in China for its industrial technology. Ambassador Jiang quoted Britain's communications, energy resources, chemical, and aerospace industries as examples, saying that prospects for cooperation between the two sides should be very good.

Zhang Qingyun agreed with Ambassador Jiang's argument and added that Britain can definitely find the market in China for its specialties of insurance, banking, and transportation.

Ambassador Jiang stressed: Hong Kong's stable transition conforms to the common interests of China and Britain. Britain should face reality and cooperate with China on the issue of the Provisional Legislative Coun-

cil. It should minimize troubles and strengthen cooperation to favor Hong Kong's stable transition.

Ambassador Jiang pointed out: British businessmen have high hopes for the Chinese market. In May this year, Deputy Prime Minister Heseltine led a trade delegation of 270 members, the largest in history, to China.

Bilateral trade relations have improved somewhat compared to the past. The entire staff of WEN WEI PO's European edition were present during the meeting.

#### Hong Kong: Formula Reached on Hong Kong SAR Selection Committee

OW1307131896 Beijing XINHUA in English  
1245 GMT 13 Jul 96

[FBIS Transcribed Text] Beijing, July 13 (XINHUA) — A formula has been reached on the way the first government of the Hong Kong Special Administrative Region (SAR) will be selected, once China regains sovereignty.

Members of the Selection Committee panel of the Preparatory Committee of the Hong Kong SAR have reached a consensus on a proposal about the specific method for the formation of the Selection Committee of the first government of the Hong Kong SAR.

The result came after full discussions during the fifth Selection Committee panel meeting, which was held in Beijing between July 12 and 13.

According to the stipulation of a relevant decision made by the National People's Congress, the Selection Committee should be composed of 400 permanent Hong Kong residents from four sectors: industrial, commercial and financial; professionals; labor, social services, religious and other sectors; and original political personages, Hong Kong deputies to the National People's Congress, as well as Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference. Each sector will comprise 100 Selection Committee members.

Under the formula the 300 members of the Selection Committee from the first three sectors will be elected by all members of the Preparatory Committee, by using a calculation on the number of candidates, rather than that of seats. The proportion between the number of candidates and seats will be 20 percent.

Those from the first three sectors who want to be involved in the election must first enter their names to their own organizations (except political organizations) or their sectors and professions. After their personal

capacities are testified by the relevant organizations, they can be nominated to the Preparatory Committee.

The name list of nominations will be edited by the Secretariat of the Preparatory Committee after the closing date for names. The list will then be given to all members of the Preparatory Committee to solicit opinions.

The Preparatory Committee members can first propose a list of candidates for the Selection Committee according to the nomination. After that the directors' meeting of the Preparatory Committee can put forward candidates, after fully considering the opinions of the Preparatory Committee members.

On the method of the election, it has been suggested that all members of the Preparatory Committee can cast votes for members of every sector of the Selection Committee. The election will be conducted by secret ballot. Those who win the most votes will be elected.

Twenty-six Hong Kong deputies to the National People's Congress, who are permanent Hong Kong residents, will be members of the Selection Committee without election.

The number of members of the Selection Committee from the original political personages will be 40. There will be 34 representatives of the Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference.

According to the proposal, those belonging to the fourth sector, who intend to take part in the Selection Committee, can enter their names to the organization of their own sector, or organizations of other sectors. They can be nominated to the Preparatory Committee after their personal capacities are testified by relevant organizations. They can also be nominated jointly by five Preparatory Committee members.

However, the total number of nominated Selection Committee members by every Preparatory Committee member cannot exceed three. The method for raising the names of candidates from the fourth sector, and for the election, will be the same as in the first three sectors.

The Panel members held that those belonging to multi-sectors can take part in the election in only one sector. Any candidate can be elected only by one sector.

Those candidates from the first three sectors, and candidates in the capacity of members of the National Committee of the Chinese People's Political Consultative Conference, cannot take part in the fourth sector's election or consultations.

The panel decided to submit this specific method for the formation of the Selection Committee to the Fourth

plenary Session of the preparatory Committee to be held on August 9 in Beijing.

The work for the formation of the Selection Committee will begin after this method is approved by the Preparatory Committee meeting.

#### **Hong Kong: Editorial Justifies Provisional Legislature**

*HK1107081996 Hong Kong WEN WEI PO in Chinese 9 Jul 96 p A2*

[Editorial: "Procedures for Formation of Provisional Legislature Are Impartial and Open"]

[PTS Translated Text for FBIS] The subgroup for setting up a provisional legislature under the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] concluded its second session in Beijing a few days ago. The session came up with a suggestion concerning the procedures for election and formation of a provisional legislature. This suggestion was devised in light of the resolution on setting up a provisional legislature adopted by the Preparatory Committee's second full meeting, the Preliminary Working Committee's suggestion, and the views of various sectors in Hong Kong. The suggestion gives full expression to the principle of "facing and relying upon Hong Kong people," and the suggested procedures for the election and formation of the provisional legislature also fully embody the principle of "being democratic, impartial, and open."

According to the subgroup's suggestion, candidates for provisional legislators must meet the following five requirements: 1) they have reached the age of 18; 2) they possess permanent Hong Kong citizenship as stipulated by Article 24 of the Basic Law; 3) they must support the Basic Law; 4) they willingly pledge loyalty to the Hong Kong SAR of the PRC; and 5) they are willing to perform the provisional legislature's responsibilities. All those who meet above requirements and are willing to contest the elections can become candidates after they are nominated by the selection committee and their qualification is confirmed by the Preparatory Committee. The provisional legislature will be formed through election by the selection committee. The relevant nomination and election will be presided over by the Preparatory Committee.

The five requirements for candidates are both lenient and essential. Supporting the Basic Law, willingness to pledge loyalty to the SAR Government, and possessing permanent Hong Kong citizenship as stipulated by Article 24 of the Basic Law are requirements consistent with the relevant provisions contained in the resolution adopted by the National People's Congress in April



1990. Besides, willingness to perform the provisional legislature's responsibilities is an essential requirement, because if a provisional legislator is not ready to perform these responsibilities, that means he is not willing to sit on the provisional legislature. This is not only a problem concerning requirements, but also one concerning political credibility. Provisional legislators must have a high degree of political credibility before they can win the Hong Kong people's confidence.

The above suggestion fully shows the principle of impartiality and openness, before which all candidates—for whom the requirements are lenient, reasonable, and impartial—are equal. The suggestion also demonstrates that the electoral methods do not have a mechanism intentionally designed to discriminate against certain people while allowing other people privileges so that they can easily or "automatically" enter the provisional legislature.

The spirit of being impartial and open completely shatters the slanders of Patten and a few of his followers, who falsely charged that the provisional legislature was designed to discriminate against certain members of the last Legislative Council under British rule. By discrediting the provisional legislature, they are trying to attack and harm the legality and credibility of the provisional legislature. But the suggestion fully indicates the election of the provisional legislators will be carried out on the basis of impartiality and openness, allowing qualified candidates to compete on an equal footing. This will attract more qualified people to run for office and raise the average quality and credibility of provisional legislators, thus enabling the provisional legislature to serve the Hong Kong people more efficiently.

Compared with the formation of the provisional legislature through elections, the procedures for establishing the last Legislative Council were extremely unfair. The procedures for formation of the last Legislative Council, ranging from the division of constituencies to the registration of voters (more than 100,000 people were deprived of the right to vote) and to the increase of functional constituencies, in addition to the deliberate impact the official electronic media had on voters, were clearly "tailored" to certain people, excluding as many as possible candidates who cherish the country and Hong Kong while allowing as many as possible candidates who toe Patten's confrontational line to obtain seats. The extreme partiality was decided by the essence of Patten's "three violations" constitutional reform package. It was because the formation of the last Legislative Council did not comply with the Basic Law and the provisions contained in the relevant resolution adopted by the National People's Congress, derailing the "through train"

originally planned by the Chinese and British sides, that a provisional legislature has to be established to avoid a "legislative vacuum" when the SAR comes to being and to ensure the SAR Government will function normally.

To impose the 'Three violations' constitutional package upon the SAR or to do so in disguise, Patten and a few of his political agents have stubbornly opposed the establishment of a provisional legislature. When they became aware that the establishment of a provisional legislature represented the trend of the times, they changed their strategy, falsely asserting that the provisional legislature was "designed to discriminate against those people whom the Chinese side considers undesirable," while intentionally creating an argument that all the members of the last Legislative Council must be admitted to the provisional legislature to avoid a social upheaval. Some people who are unaware of the truth for the moment also mistakenly believe that existing legislators are allowed to "automatically" become candidates for the posts of provisional legislators. The provisional legislature, however, is being accepted and supported by more and more Hong Kong people, and the opposition of Patten and his followers can in no way prevent the establishment and normal operations of the provisional legislature.

The subgroup for preparing the establishment of the provisional legislature will further study the specific procedures for setting up the institution. Hong Kong people from all walks of life are welcome to raise more opinions and suggestions to improve the specific procedures so that the upcoming provisional legislature will successfully shoulder the responsibility entrusted to it by history.

#### **Hong Kong: Meeting for Hong Kong Return Celebration Held in Beijing**

OW1107151896 Beijing XINHUA in English  
1424 GMT 11 Jul 96

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — A panel set up to arrange celebrations to mark Hong Kong's return to China next year ended its third meeting in Beijing today. The panel, established under the Preparatory Committee of the Hong Kong Special Administrative Region (SAR), met for two days in the capital.

Hong Kong members of the Preparatory Committee gave an account of the preparations for the establishment of a committee for celebrating Hong Kong's return to the motherland by all walks of life in Hong Kong, and plans for celebrations submitted by all circles of the Hong Kong society.

The Preparatory Committee members held that the work of the panel should be given an appropriate readjustment

according to the present-day actual situation, and a decision made at a directors meeting of the Preparatory Committee.

The main task of the panel is to support and coordinate non-governmental celebrations to be held in Hong Kong, as well as relevant matters.

The committee for celebrating Hong Kong's return, which was sponsored by the Hong Kong members of the Celebrating Activities Panel according to the arrangement of the Preparatory Committee, is a non-governmental organization composed of local Hong Kong people.

It will be responsible for organizing and coordinating the non-governmental and mass celebrations in the whole of Hong Kong.

Members of the Preparatory Committee of the Hong Kong SAR held that the preparatory commission for the Celebration Activities Committee has achieved a great deal.

They gave support to the four activities proposed by the commission: a large-scale performance on the '97 return of Hong Kong to the motherland, beginning on the evening of June 30, 1997; a decorative vehicle parade to be held on July 1 and 2; a fireworks display; and a cultural evening, as well as relevant plans for celebration activities submitted by all circles of Hong Kong society.

They expressed the hope that the committee for celebrating Hong Kong's return should pay attention to coordinating the corresponding celebrations to be sponsored by the government of the Hong Kong SAR.

The Preparatory Committee members predicted that in holding celebrations for Hong Kong's return, the regional flag and regional emblem of the Hong Kong SAR would be used widely.

In order to meet the needs of every activity and satisfy the demands of Hong Kong people from all walks of life, the members of the Preparatory Committee of Hong Kong SAR suggested that before enacting laws by the Hong Kong SAR, the Preparatory Committee should first issue a document to give guidance on how to use the regional flag and regional emblem.

#### **Hong Kong: XINHUA Commentary on 1997 Countdown**

OW0907012196 Beijing XINHUA Hong Kong Service in Chinese 0839 GMT 30 Jun 96

[Commentary by Wu Ming (0702 2494) and Sun Chengbin (1327 2110 2430): "An Irreversible Great

Tide of Reversion; Notes on the One-Year Countdown Toward Hong Kong's Reversion"]

[FBIS Translated Text] Hong Kong, 30 Jun (XINHUA) — The footsteps of history are moving toward 1 July 1996. On this day next year, a colorful page will be added to Chinese history: After shaking off one and a half century of British colonial rule, Hong Kong returns to the motherland's embrace. In the civilization of mankind, the use of peaceful negotiations to resolve issues left over from history will serve as an example for future generations.

One year's time is like a blink of the eye in the long process of history. After more than 12 years of transition, what kind of posture is Hong Kong taking today to move toward the day of reversion? Hong Kong Compatriots Are Greeting the Day of Reversion With Unprecedented Enthusiasm; Concern About a Smooth Transition, Prosperity, and Stability Has

#### **Become the Main Current in Society**

These days, reporters' news covering schedules are very tight. Various circles in Hong Kong have launched a series of colorful activities with the main theme centering on the one-year countdown toward Hong Kong's return to the motherland. They include carnivals, soirees, theatrical performances, publications of books introducing the Basic Law, photo exhibitions, and patriotic educational activities greeting the 1997 reversion.

Today huge crowds gathered at Victoria Park on Hong Kong Island and in Kowloon Park in Kowloon. Tens of thousands of Hong Kong citizens, some with family members and some with friends, took part in the grand get-together sponsored by Hong Kong's 200 social groups to celebrate the reversion countdown. At the New Territories' Shangshui, a countdown meter for Hong Kong's reversion was officially unveiled, and its ever-changing digits symbolize people's anticipation of the reversion. In Chater Gardens on Hong Kong Island, activities entitled "6 Million People Doing 6 Million Things for the Reversion" expressed the people's strong sense of responsibility toward the reversion.

The great mass fervor toward Hong Kong's return to the motherland did not begin today. Since the 1,000-day countdown, various circles in Hong Kong have held all kinds of activities to greet the reversion, expressing their anticipation and joy at the return to the motherland, exchanging their views and feelings toward issues during the transitional period, and explaining their understanding of the policies of "one country, two systems" and "government of Hong Kong by the Hong Kong people themselves." At the same time, Hong Kong's business community, education circles,



science and technology circles, sports circles, women's groups, and local communities have established their own reversion-to-the-motherland- activities committees to make early preparations for celebrations a year from now.

In late May, a preparatory committee of Hong Kong's various circles for celebrating its return to the motherland was formally established. In the short period of a little more than 10 days the committee had received 33 applications from various circles to hold grand celebrations in Hong Kong, Kowloon, and New Territories' public arenas between late June to early July next year. Hong Kong citizens' enthusiasm toward the reversion has infected every member of the preparatory committee.

Coupled with the joy of greeting Hong Kong's return to the motherland, Hong Kong compatriots also showed concern about and took part in the reversion process with unprecedented enthusiasm. How to achieve a smooth transition has become the focus of media and people's daily conversation. Their viewpoints, suggestions, and plans on various issues have been reported to the Hong Kong Special Autonomous Region Preparatory Committee, the State Council's Hong Kong and Macao Affairs Office, and the XINHUA Hong Kong Branch.

Many Preparatory Committee members still became excited when they talked about the consultation activities launched last April by the group in charge of the Selections Committee. During the two-day consultation, 360 groups and more than 1,000 people representing various circles in Hong Kong expressed their views on specific election methods for the Selections Committee. Their viewpoints and suggestions cover every big or small issue, like election guidelines, candidates' qualifications, and the ratio between seats and candidates. Many suggestions have been accepted by the Preparatory Committee.

Although the influence of long years of separation and colonial rule is hard to obliterate in a short time, and although the misgivings of some Hong Kong people have not yet been completely dispelled, what Zhang Yunfeng, member of the Chinese People's Political Consultative Conference [CPPCC], has said is true: At present, the longing for a smooth transition has become the main desire of Hong Kong's society and the smooth return of Hong Kong and maintaining its long-term prosperity and stability accord with popular sentiment and the general trend of events. These types of main streams have converged to form an irresistible tide for the return of Hong Kong to the motherland.

**The Source of Hong Kong People's Confidence Is the Great Idea of "One Country, Two Systems," the Genuine Effort To Untringly Seek the Smooth Transition of Hong Kong, and the Fact That the Smooth Return of Hong Kong Is a Foregone Conclusion**

Enthusiasm comes from expectation and more so from confidence.

No one can deny that the smooth return of Hong Kong embodies the inherent demand of a nation and that returning to the embrace of the motherland has long been anticipated by the overwhelming majority of the compatriots in Hong Kong. However, the influence and misguidance of long years of colonial rule have caused some Hong Kong people to harbor misgivings and apprehension toward Hong Kong's return to the embrace of the motherland. This is understandable.

Now, after going through a transition period of 12 years starting from the signing of the Sino-British Joint Declaration, an increasing number of Hong Kong people have gradually freed themselves from misgivings. They have changed their wait-and-see attitude, have become more confident of their future and more concerned about the process of Hong Kong's return, and have participated more actively in the affairs of the transitional period. This profound change originated from the introduction of the great idea of "one country, two systems" and from the fact that the Chinese Government resolutely handles affairs of the transitional period according to the principle of "one country, two systems and letting Hong Kong people rule Hong Kong," and is also closely related to the expanding development of the motherland and the increasingly close ties between the two areas.

In the early 1980's, Deng Xiaoping put forward a proposal for solving the Hong Kong question by the method of "one country, two systems." Soon afterwards, the Chinese Government announced a 12- article Hong Kong policy with this principle as the core, and on this basis, it concluded the Sino-British Joint Declaration with the British Government in December 1984. Hong Kong's capitalist system and lifestyle will be kept unchanged and its laws will remain basically unchanged; after its return to the motherland, the special administrative region will be guaranteed a high degree of autonomy, independent judicial power, and the power of final adjudication; and Hong Kong's status as an international financial center and a free port will be guaranteed — these solemn promises have elated the majority of Hong Kong people and dispelled their misgivings. After the conclusion of the Sino-British Joint Declaration, a large-scale public opinion poll was conducted by an organization. It successfully surveyed more than



6,000 people of various circles in Hong Kong. The result shows that more than 80 percent of them believed the joint declaration is good or even very good, and only 1 percent of them believed the joint declaration is not very good or very bad.

In April 1985, just over months after the signing of the Sino-British Joint Declaration, the Third Session of the Sixth National People's Congress adopted a decision to form a drafting committee to be responsible for drafting the Basic Law of the Hong Kong Special Administrative Region [SAR]. During the process of drafting the Basic Law, which lasted four years and eight months, the drafting committee repeatedly solicited the opinion of people of various circles in Hong Kong, and the draft Basic Law was revised many times following discussions between the drafting committee and the people of Hong Kong. The Basic Law of the Hong Kong SAR, which has 160 articles and three annexes, which fully embodies the wishes of various circles in Hong Kong, and which codified the principle of "one country, two systems" into law came to birth smoothly on April 1990. To the majority of Hong Kong people, this is a legal guarantee for the principle of "one country, two systems" made by the Chinese Government to reassure the Hong Kong people after it made a solemn international promise on "one country, two systems."

Afterwards, many difficulties and hardships emerged in the period of Hong Kong's transition — the unilateral introduction of the Constitutional Reform Package, the large-scale revisions of Hong Kong's existing laws, and the attempt to increase the economic burden of the future SAR government. Faced with rings upon rings of obstacles to the smooth transition of Hong Kong set by the British side, the Chinese Government has consistently handled affairs in accordance with the principle of "one country, two systems." Zeng Xianzi, member of the National People's Congress Standing Committee, who had personally participated in affairs in the period of the transition of Hong Kong, said: Numerous facts and experiences have made me, as well as made an increasing number of Hong Kong people, see clearly that the Chinese Government is firmly carrying out the principle of "one country, two systems and letting Hong Kong people rule Hong Kong" and that it is wholeheartedly safeguarding Hong Kong's smooth transition and the interests of the Hong Kong people.

For many people, the controversies and negotiations between China and Britain over the political system for the period of Hong Kong's transition are still fresh in their minds. As time goes on, people have come to see more clearly that the vital part of the struggle is not whether democracy should be developed in Hong Kong, but whether an international agreement should be abided

by, whether a convergence with the Basic Law should be guaranteed, and whether there should be a smooth transition. The Basic Law has made clear stipulations for a gradual and orderly development of democracy in Hong Kong and has made, in accordance with relevant provisions, a "through-train" arrangement for Hong Kong's last-term of legislative council. Moreover, the masses of Hong Kong people also hold that these stipulations and arrangement accord with the reality in Hong Kong and are conducive to the smooth transition of Hong Kong. The Chinese Government's starting point, which adheres to principles regarding this issue, is precisely aimed at realizing a smooth transition — a demand which accords with the fundamental interests of the people of Hong Kong. To achieve this goal, many Hong Kong people fully express their understanding and support.

Because the "through train" arrangement was undermined by the "Constitutional Reform Package" unilaterally introduced by the British Hong Kong Government, various circles in Hong Kong, in order to prevent the emergence of a "legislative vacuum" when the special administrative region is formed, have made many suggestions — such as the power of Hong Kong's legislature be exercised by the NPC Standing Committee in an acting capacity, or by the Preparatory Committee or the chief executive of the SAR in an acting capacity. The Preliminary Working Committee and the Preparatory Committee, after repeatedly studying these suggestions, held that these suggestions either violated the spirit of "Hong Kong people ruling Hong Kong" and a high degree of autonomy or lacked the necessary legal basis. By comparison, only the establishment of a provisional legislative council composed of permanent residents of Hong Kong accords best with the principle of "Hong Kong people ruling Hong Kong" and can best embody the wishes of the Hong Kong people.

Finally, the Preparatory Committee had no alternative but to decide on establishing a provisional legislative council, which is based on law and is conducive to Hong Kong's smooth transition. The work of organizing the Hong Kong SAR is going on in an orderly manner thanks to the efficient preparatory work done by the Preliminary Working Committee, to nearly six months of operation by the Preparatory Committee, and to the concerted efforts of the Hong Kong people. Hong Kong's smooth transition is a foregone conclusion. Li Zongde, chairman of the Hong Kong Youth Federation, said: Hong Kong's future is becoming brighter as 1997 is drawing closer. Liang Zhenying, vice chairman of the Preparatory Committee, said: The success of Hong Kong's smooth transition is in sight.

Faced with this situation, how can Hong Kong people not be filled with enthusiasm and a longing for the return of Hong Kong to the motherland?

**Participation in Affairs of the Transitional Period Has Brought About a Leap in Hong Kong People's Knowledge About the Inevitability of History; the People of Hong Kong Are Opening Up Their Bright Future With Actual Deeds**

In any historical process, the participation of the people is always the source of strength and the guarantee for success.

During the 12-year transitional period, the Chinese Government has attached great importance to uniting the vast number of the Hong Kong people to take part in affairs related to the reversion. Starting from Deng Xiaoping, who said that the central government must support the Hong Kong people in their participation in the reversion process and that it would not do to not have their participation, to Jiang Zemin, who called for uniting with the vast number of patriots and all those who could be united, and to the Preparatory Committee, which put forward the work guidelines of basing on ourselves and facing and relying on the Hong Kong people, the Chinese Government has been consistent in its policy and has been truthfully fulfilling its promise.

Some figures may indirectly reflect the importance the Chinese Government attaches to the Hong Kong people's participation in the reversion process: Twenty-three of the 59 Basic Law Drafting Committee members were from Hong Kong; 30, or over half, of the 57 Preliminary Working Committee [PWC] members were from Hong Kong; and 94, or 62 percent, of the 150 Preparatory Committee members were from Hong Kong. Since 1992 the State Council Hong Kong and Macao Affairs Office and the XINHUA Hong Kong Branch have appointed, in four batches, a total of 186 people representing various circles in Hong Kong to serve as Hong Kong affairs advisers. Since 1994 the XINHUA Hong Kong Branch has appointed, in three batches, a total of 670 people to serve as advisers on Hong Kong's local affairs.

Extensively soliciting the views of all circles and strata in Hong Kong through different channels, in different forms, and from different angles has been the Chinese Government's consistent policy in handling affairs during the transitional period. In the course of conducting work, specialized groups of the PWC held meetings in Hong Kong on many occasions to extensively solicit people's views. After attending tightly scheduled meetings, PWC members also went to public housings, community centers, hospitals, immigration offices, and factories for the disabled to establish extensive contact

with various circles and listen to the voices of the vast number of Hong Kong people. As soon as the Preparatory Committee began its work, the Selections Committee Group, which is in charge of the primary work for establishing the SAR government, had come to Hong Kong to conduct consultation activities and invite all circles to present their ideas and suggestions, thereby helping to create a new upsurge in people's interest in the preparatory work.

The policy of attaching importance to Hong Kong people's participation in the reversion process and the act of mobilizing them to take part in the process have created a favorable condition for Hong Kong people's participation and aroused their enthusiasm.

On 6 December 1985, as soon as the work of drafting the Hong Kong SAR Basic Law began, 180 public figures from various circles in Hong Kong voluntarily established a Basic Law consultation committee. In the four years and eight months of the drafting process, the committee held eight plenary sessions and extensively solicited views from various circles on eight special subjects and on the preliminary and final drafts of the Basic Law. They made outstanding contributions to the successful drafting of the Basic Law.

To publicize and promote the Basic Law and to let the Hong Kong people recognize Hong Kong's future and define their rights and obligations, a number of people from various circles voluntarily established joint meetings and other organizations for publicizing the Basic Law. They used a variety of means, including exhibitions, get-togethers, lectures, seminars, and television quiz shows, to publicize in a lively way the essential spirit and specific provisions of the Basic Law.

After the establishment of the PWC, the vast number of Hong Kong people actively cooperated with and supported its work. The PWC came to Hong Kong twice to hold meetings and launch consultation activities. While in Hong Kong, it received many viewpoints and suggestions from citizens. Some social groups and individuals also conducted investigation and research on retirement pension for the elderly and presented their complete sets of proposals and plans to the PWC. Last April, the Preparatory Committee's Selections Committee Group came here to solicit views. Many Hong Kong people regard their participation in the consultation activities as an opportunity to exercise their democratic rights and to lay the groundwork and prepare for governing Hong Kong by the Hong Kong people themselves. They used a variety of means to extensively solicit views. Some sent survey letters to the general public, some held meetings to study the developments and exchange their views, and some

conducted in-depth studies on a number of key issues. This has resulted, through meticulous efforts, in many sophisticated, systematic proposals.

Personnel who had worked at the PWC information office and who now work for the Preparatory Committee's Hong Kong office were very excited when they talked about the enthusiasm displayed by Hong Kong people in participating in the work of the transitional period. In the last three years, they continued to receive letters and suggestions from people of all circles in Hong Kong. Some of the letters contained quite comprehensive well-considered ideas or plans. Some people made one proposal after another. A Preparatory Committee office worker said: From them I understand the meaning of people making a smooth transition their own responsibility.

In the past 12 years, from the promulgation of the Basic Law and the PWC's formulation of 46 proposals and plans to the Preparatory Committee's 10 important decisions, every step forward and every achievement in the transitional period embodies the persistent participation spirit and abundant wisdom of the vast number of Hong Kong people. In the process of participating in the reversion process, the vast number of Hong Kong people have become more and more clear about the historical inevitability of Hong Kong's reversion to the motherland and become more and more confident about their ability to personally create a better future for Hong Kong.

A great concept, a set of sound policies, a government that tirelessly implements correct principles and policies, an irreversible general trend, and a general public that are confident about grasping the historical inevitability have all developed into a strength which no force can resist: Hong Kong is bound to return to the motherland through smooth transition and Hong Kong can definitely maintain long-term prosperity and stability!

This strength declares to us and the whole world: A year later, the Pearl of the Orient will shine more brightly in the blue water and sky.

#### **Hong Kong: Press Groups Accuse PRC of Strict Controls**

*HK1507072396 Hong Kong HONGKONG  
STANDARD in English 13 Jul 96 p 4*

[By Cecilia So]

[PTS Transcribed Text for FBIS] The majority of local press associations yesterday accused China of exercising strict control on local journalists when covering events in China.

They also called on the Chinese government to lift the seven regulations imposed on local reporters.

None of the reporters detained on 1 July when covering the Coalition to Oppose the Provisional Legislature's Beijing petition appeared at the Legislative Council Information Policy Panel meeting yesterday.

The vice-chairman of the Hong Kong Journalists Association, Carol Lai Pui-ye, told the legislators that reporters were at risk when covering events in China.

She blamed media management for being more concerned about news coverage than reporters' safety.

The chairman of the Hong Kong News Executives' Association, Yeung Kam-kuen, said there were fundamental differences between China and Hong Kong in defining news value.

However, the chairman of the pro-China Hong Kong Federation of Journalists, Chan Kin-ming, argued that media coverage of the coalition's Beijing visit was a challenge to the Chinese legal system.

"The coalition's visit was in itself a challenge to the Chinese legal system and so was the media coverage," Mr Chan said.

#### **Hong Kong: Editorial Views Anson Chan's Chances for Top SAR Position**

*HK1507074496 Hong Kong HONGKONG  
STANDARD in English 13 Jul 96 p 12*

[Editorial: "Patten The Key To Chan's Chances"]

[PTS Transcribed Text for FBIS] Chief Secretary Anson Chan Fang On-sang has confided to political figures in Britain that Beijing has ruled her out as a possible chief executive of the Special Administrative Region government, which comes into being on 1 July next year.

While Beijing clearly has the last word on the appointment, such a decision by Chinese officials appears premature. The choice, in the first instance, lies with the Selection Committee. But this committee is yet to be formed. To prejudge the issue or to give the impression that a choice has already been made by China would bring discredit on this committee. This, surely, is not Beijing's intention.

Mainland officials may find her too Westernised. But which successful woman in Hong Kong isn't to some extent?

Mrs Chan has consistently come out tops, way ahead of her closest rivals in all surveys on people's choice for the SAR top job. Clearly there is a sizeable section



of the community which would find her appointment a confidence-booster and an assurance that things in Hong Kong will not be changed drastically.

The mainland decision can be expected to draw flak. Not the least because Britain prefers someone it can communicate with after next year's transfer of sovereignty.

The decision provides more ammunition for those like Governor Chris Patten who have repeatedly railed at China for reneging on its promise to give Hong Kong a high degree of autonomy and insisted that anyone chosen for the post must, as he put it recently, "be able to command the instinctive support of and loyalty of the whole community, principally as Hong Kong's leader and representative in Beijing, rather than Beijing's representative in Hong Kong".

Mrs Chan's supporters will now give Mr Patten's words much more credence and will join in any outcry raised by the British side.

But therein lies the weakness of Mrs Chan's position. Mr Patten is a huge millstone round her neck. It has been that way from the start. If she had been allowed to play the "compatriot" line after her surprise visit to Beijing to meet Hong Kong and Macao Affairs Office Director Lu Ping last year, she might still have a fighting chance. But Mr Patten forbade that.

If she is still to have a fighting chance, Mr Patten will have to let up on fighting China. The more confrontation there is, the more will Beijing feel the need for a strong hand, one capable of giving the British a punch or two after the transfer.

And if Mrs Chan wants that job, she will have to distance herself from both Mr Patten and the British. Is she prepared to do it? As always, that's a \$64 million question.

#### **Hong Kong: Support for Anson Chan In Battle for Leadership Increases**

*HK1507085196 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 14 Jul 96 p 1*

[By staff reporters]

[PTS Transcribed Text for FBIS] Support for Chief Secretary Anson Chan Fang On-sang to become the first chief executive has increased this summer, while confidence in the Hong Kong Government has also risen, according to a poll carried out for the Sunday Morning Post.

The survey, by Asian Commercial Research, showed that Mrs Chan had support of 59.3 per cent — far more than any other public figure. Preparatory Committee

Vice-Chairman Tung Chee-hwa increased his support from 5.2 per cent in May to 7.5 per cent.

Backing for Mrs Chan has now risen by nearly nine points since December, when Mr Tung had only 0.2 per cent endorsement.

Support for the Democratic Party leader, Martin Lee Chuming, has dropped to 9.7 per cent from 10.6 per cent in May, and 16.2 per cent last December, the fall seemingly reflecting growing recognition among respondents that he is not a realistic candidate.

Lo Tak-shing, who has come closest to declaring himself a candidate, scored 0.7 per cent, down from 1.2 percent in May.

The poll, carried out by telephone from July 8 to 11, also showed a revival in confidence in the Hong Kong Government after a slump at the end of last year.

Overall, 68.3 per cent of those questioned expressed confidence, compared to 62.3 per cent in December.

Pessimism about the economy has also fallen sharply.

Asked about prospects for the economy, 20 per cent expected an improvement — a similar figure to that at the end of 1995 — and 37.2 per cent anticipated a decline, down from 51.2 per cent last December.

But the proportion of people who expect their financial circumstances to improve has fallen to 15 per cent from 26.8 per cent in December, while those who believe they will worsen has also dropped from 21.18 to 18.3 per cent.

The survey was carried out by telephone, and covered a representative sample of 618 people.

#### **Hong Kong: Editorial on Police Leave Plans for Handover**

*HK1207074996 Hong Kong SOUTH CHINA MORNING POST in English 12 Jul 96 p 18*

[Editorial: "Force Majeure"]

[PTS Transcribed Text for FBIS] The Hong Kong policeman's lot is not, generally, an unhappy one. The morale problems which have reappeared periodically in recent years are of the kind to be expected in any similar police force. When pay was perceived to lag behind the private sector in the early 1990s, putting a brake on recruitment, a salaries review settled the matter. When the previous Chief of Police failed to inspire his men, a successor was found with the charisma and leadership skills to reunite the force behind him. Not since the police mutiny of the mid-1970s has there been a really damaging crisis.

However, without exceptionally careful and sensitive management, the change of sovereignty may be about to disturb the placid surface. The departure of senior officers will leave the force seriously depleted. Implicit in the confidential consultation paper on senior officers' leave revealed in the South China Morning Post today is the recognition that the potential for disruption is enormous.

It is not so much the numbers as the loss of experience and management skills at the top which could prove most damaging. At a time when the force is poised for what senior management clearly sees may be a dramatic change of culture and environment, unity and stability will be key goals for Commissioner Eddie Hui Ki-on.

Disruption is not inevitable. The 1997/98 leave plan is designed to ensure that key personnel are available and on duty throughout the handover without provoking resentment at curtailed holidays and arbitrarily cancelled leave. However, it also appears to be based on two worrying calculations: not only may there be public demonstrations and disturbances, but that they could be widespread enough to require unusually heavy policing in all districts.

#### **Temptation**

If there is serious unrest, there could be a temptation for a new Chief Executive to ask Beijing for help from the garrison, as Article 14 of the Basic Law permits, in the maintenance of public order. That must be resisted at all costs. It would set a disastrous precedent so early in the life of the new regime. To withstand the urge, the Chief Executive must have 100 per cent confidence in the strength of the police force.

The document also appears to be testimony to a degree of self-deception. In its background notes, the plan calls for "due cognisance" of the disruptive effects of personnel departures. Yet a few paragraphs later, it talks of the "public perception" of a significant loss of staff and experience, which can be countered by ensuring the force is "fully prepared and staffed during this period".

Due cognisance must surely involve a much deeper examination of the reasons for the loss of staff and experience, as well as their effects. It is not just fear of the new regime but unfamiliarity with its ways and a nostalgia for the old dispensation which are behind some of the departures of locals as well as expatriates.

#### **Tradition**

The Royal Hong Kong Police, more than almost any other branch of government service, has been an essentially British-style force. Its culture and proud traditions have in many respects resembled those of a British mili-

tary regiment. For officers brought up in those traditions, the transition means more than just a change of government. When the Chief Secretary's husband, Archie Chan Tai-wing, resigned from the auxiliary police he said it was because he did not want to serve a force that was no longer "royal".

Among senior officers, if not among junior ranks, that view may be more prevalent than the public realises. It is also symbolic of a much wider cultural disorientation that is bound to affect all ranks after 1997. To take a hypothetical example: how would an officer respond if he had been acting to protect a politician under colonial rule up to midnight on June 30, and then was called on to restrict that same politician's liberty during the month of July? Would he, like his counterparts in the civil service, fear the distrust of his new political masters for his previous loyalty in serving the British?

These are not matters that can be shoved under the carpet or resolved by cancelling leave. They must be addressed sensitively at all levels of the force. Failure to recognise and deal with them is a recipe for trouble not only at the time of the handover but for years thereafter.

The Leave Plan is an admirable start, in its recognition of the outward symptoms of the malaise infecting the force and the strong medicine it proposes for keeping them under control. But it is neither a cure for the disease, nor an action plan for the long-term restoration of police morale.

#### **Hong Kong: XINHUA Reports Hong Kong Exports Rise Slightly in May**

*OW1107155496 Beijing XINHUA in English  
1506 GMT 11 Jul 96*

[FBIS Transcribed Text] Hong Kong, July 11 (XINHUA) — The value of Hong Kong's total exports in May showed a small positive growth of 1.1 percent from the same month last year to reach 117.9 billion HK dollars (15.12 billion U.S. dollars), according to official statistics released today.

The imports of the territory decreased by 2.6 percent in May to 129.9 billion HK dollars (16.65 billion US dollars), according to the statistics.

The value of Hong Kong's re-exports in the first five months this year was 458.9 billion HK dollars (58.83 billion U.S. dollars), up 8.9 percent from the same period last year; while the value of domestic exports in the first five months this year was 82.4 billion HK dollars (10.56 billion U.S. dollars), down 5.9 percent from the same period last year.

In the first five months this year, Hong Kong's imports were valued at 610 billion HK dollars (78.20 billion U.S.

dollars), increasing 4.7 percent over the same period last year.

**Hong Kong: Data on Hong Kong Available on Internet**

*OW1207041296 Beijing XINHUA in English*  
*0240 GMT 12 Jul 96*

[FBIS Transcribed Text] Hong Kong, July 12 (XINHUA) — A wide range of information and data about Hong Kong will be available on the Internet, according to The Better Hong Kong Foundation.

The foundation has established a website, which is divided into six menu areas — Hong Kong Heart of

Asia, Hong Kong Business Links, 1997 and Beyond, Press and News Updated, Better Hong Kong Foundation and Guest Book.

Henry Cheng, chairman of the foundation's Advisory Council said the website can help the international community to gain access to information about Hong Kong and to have a better understanding of the issues on Hong Kong's transition.

The Better Hong Kong Foundation is a privately-funded, non-profit making organization formed by leading business people in Hong Kong.



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